The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Will Japanese Aggression Produce Another "Boxer" Rebellion?

ARTICLES IN THIS ISSUE

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General Chiang Kai-shek Returns to Nanking; Chinese Press Appeals for Peace

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"Japan Would Exploit, Bully, Intimidate, and Conquer"
(By the Review's Hankow Correspondent)

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Japan's Trade Challenge . . . . . By William H. Chamberlin

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TODAY'S OBSERVANCE OF "DOUBLE-TEN" AND THE FUTURE

THE annual observance of the anniversary of the outbreak of the revolution which occurred on October 10, 1911, corresponds this year with the date of this week's issue of *The Review*—Saturday, October 10, 1936. Of all the 25 celebrations of this anniversary in the quarter of a century which has elapsed since Dr. Sun Yet-sen and the small band of patriots overthrew the Manchu Empire and established the Republic, the observance this year is of greatest significance. Because China is now face to face with the vital question of preserving the independence of the nation from domination by another alien race, this time the Japanese. If China accedes to Japan's demands this obviously will be China's last observance of an independent "Double Ten," because with the Japanese military machine in control of the Chinese government, as Japan desires, any future observance of China's Independence Day will have to conform to the wishes of Imperial Japan. In other words the Chinese people will have lost the right of independent decision on this as well as other vital matters—if the National Government at Nanking accedes to Japan's ambitious program.

Reports now appearing in the Japanese home newspapers are of a most startling nature. The *Asahi Shimbun* declared, Oct. 2, that China must recognize a *fait accompli*, otherwise the loss of North China in addition to the Manchurian provinces and Inner-Mongolia, and the "other conditions," whatever they are! The secrecy surrounding the exact demands, various inspired versions of which have appeared in the newspapers, has made the situation worse. This accounts for the uneasiness and apprehension and worse—the suspicion—which prevails throughout the country.

Domestically, China is now in a better position to face the Japanese issue because the country is politically united and presumably in a stronger condition to face aggression. But the Japanese

newspapers allege that certain groups within the Government are seeking to take advantage of the occasion to consolidate their positions and discomfit their political enemies. It is obviously difficult to believe these propaganda reports because any official who would seek personal power by sacrificing his country's rights in order to obtain Japanese help, would not be permitted to enjoy the fruits of his vitcory for long. In the first place he would lose the respect of his fellow men and in the second place the Japanese warlords would quickly convert him into a puppet similar to the present positions of those who helped the enemy in Manchuria and in North China.

As indicated in an article elsewhere in this issue there are two ways of meeting the Japanese issue: Further compromise with sacrifice of territory and rights in the hope that Japan may be satisfied and permit the Government to maintain itself within limited territory and with restricted liberties. Or, China might resist with the possbility of ultimate defeat and loss of positions and power by those now in control of affairs in Nanking and throughout the country.

But strong resistance, long sustained, might bring unexpected help from the outside which, with the certainty of early domestic political and economic complications within Japan, might work to China's benefit and ultimate relief from the menace. Henry L. Stimson, the former American Secretary of State, in his recent book dealing with the Far Eastern crisis declared, "Japan's inroads upon China have precipitated a crisis of grave import to America and to world peace." But before there can be any help from the outside it will be necessary for the Chinese people, unitedly and with determination, to demonstrate their desire for independence and an equal status in world affairs. Perhaps the Japanese have unsuspectingly conferred a benefit upon China by selecting the Oct. 10, anniversary as the psychological time for trying to put over their ambitious program!

Karl Radek, Noted Soviet Journalist, Arrested on Charge of Abetting Trotzkyists

Karl Radek, noted Soviet journalist, foreign policy expert and editor-in-chief of the Communist Party's organ, *Pravda*, was arrested by the G.P.U. (Soviet secret police) last week. Mr. Radek is reported to have been charged with aiding and abetting the Trotzkyist conspirators, since he failed to reveal to the authorities in due time the subversive plans of the recently executed Trotszkyists, Zinovieff, Kameneff and their accomplices, of whose intentions he was allegedly aware. Mr. Radek is one of the most devoted lieutenants of Lenin. He was for a time Chancellor of the Sun Yat-sen University in Moscow. Both he and Trotsky had experience as journalists in New York City. In recent years he has been the official spokesman of the Soviet Government, his editorials being a leading feature of the official *Tass Agency* dispatches to Far East.

Recently it has been reported that Stalin was not overly friendly toward Radek, who was originally a close adherent of Trotzky, particularly at the time when Trotzky was promoting the communist participation in the Chinese Nationalist revolution in 1926-1927.

It also has been reported recently that difficultics have arisen in the relations of Stalin and Madame Breshkovskaya, who enjoys great popularity with the people.

AND NOW COMES ROTHERMERE WITH HIS ANGLO-JAPANESE SCHEME*

TWO weeks ago we referred in these columns to an article written by Lord Beaverbrook, prominent in the British publishing world, who advocated an Anglo-American military alliance and declared his belief that sooner or later such a military and naval pact would be concluded. He said there was no alternative for these two nations "but to find security for the future in the companionship of one another." Chief among world perils making an Anglo-American alliance necessary, in Lord Beaverbrook's opinion, was the threat of the Japanese fleet and behind it the Japanese army swift and ruthless in action, patient and resolute in carrying out a program of expansion. He argued that while Japan constituted a menace to Australia, the menace to California was even greater. By uniting their resources the two nations could gain a measure of security they could hardly hope to obtain by other means, whereas if each conducted its defense preparations separately, it would mean a duplication of expenditures on armament and a concentration on military affairs which the peoples of both countries would find irksome and possibly intolerable.

And now comes Lord Rothermere, another British newspaper "baron" and rival of Lord Beaverbrook, who argues in favor of a renewal of the Anglo-Japanese Alliance. In an interview circulated by *Domei* from Tokyo where Rothemere is now visiting, he declared that Japan "was doing wonderful things in China and possessed the ability to bring order out of chaos in that country we can leave Japan to do so!" He said the Japanese know what to do and are able to look after themselves. He also said that Britain possessed "any amount of cheap money and the investment of British capital in China was a point where Japan and Great Britain could get together." Thus we have a repetition of the old Baron Shibusawa doctrine, "American capital and Japanese brains for the exploitation of China," except that Lord Rothermere has substituted Britain for the Unied States as the financier of Japan's conquest of Asia. The statement was significant in that it revealed Japan's need of capital to finance her war games and her urgent desire to obtain same from Great Britain. And Lord Rothermere would

***Lord Rothemere, apparently after having been informed of the possible complications created for British interests in China by his pro-Japanese utterances, issued a qualifying statement to the general effect that he was among those "who deplored the terminaiton of the Anglo-Japanese Alliance," which, in his opinion could have been changed to satisfy American susceptibilities. He also declared in the second interview, which was published in the *North-China Daily News* on Oct. 7 that Japan was acting in an "entirely accommodating spirit," in connection with the negotiations in Nanking. However, he said there should be an immediate stoppage of Japanese smuggling in North China and other acts menacing British trade. He declared, "Britain cannot afford to lose her China trade."**

furnish the capital "to the mutual benefit of Japan and Britain," or at least he was quoted to this effect by the official *Domei* service. The possible effect of such a program on China was not mentioned, but Rothermere thought the Powers should recognize Manchukuo and said the British Government "was merely waiting for an opportunity to do so," a statement which will arouse interest in Nanking where a somewhat different idea of British principles has prevailed. He declared that Japan was establishing a firm foothold on the Asiatic continent and was following the same urge which impelled England to conquer India, Ceylon, the Malay Peninsula and the bulk of Africa." The "urge" that inspired these conquests was a growing population and progressive spirit. He was sure that Japan would take no unfair measures against Great Britain, presumably having the aforementioned British colonies in mind, and declared that England and Japan are "old friends who should settle all difficulties because there is nothing to provoke British jealousy or ill-feeling of Japan."

But we have saved for the last Lord Rothermere's reference to the Anglo-Japanese alliance. He declared that a "lot of people in England favored an Anglo-Japanese alliance . . . I favor it on the whole *so long as it does not assume an anti-American aspect.*"

We italicised the qualification because American antagonism was responsible for the abrogation of the original alliance at the Washington Conference and since has long prevented the British Tory government from going back to its military pact with Japan. The Anglo-Japanese alliance was concluded, originally, as protection against German and Russian activities in Asia, but when those nations withdrew, one because of defeat in the world war and the other due to revolution, that left the alliance standing as a menace not only to the United States but also to the British dominions, particularly Canada and Australia. It was their combined opposition at the Washington Arms Conference in 1921-1922 which forced Britain to drop the alliance and, incidentally, has prevented the British imperialists such as Rothemere from taking it up again. Just how he would go about renewing the pact "so that it would not assume an anti-American aspect," was not explained in his interview. Also he might explain at the same time how the alliance might be renewed without adversely affecting China, but he apparently regarded China as an inconsequential element in the Far Eastern situation where Japanese military buccaneers should be given a free hand "to bring order out of chaos." At least he is sure that Japan "knows what to do," and apparently if the decision rested with him, Britain would lend Japan the money to complete the job!

Will Japanese Aggression Precipitate Another "Boxer" Uprising—Some Historical Parallels!

JAPAN'S demands upon China, although still shrouded in secrecy, have as their objective either the break up of the country or its political and economic subjection by the Japanese military machine. Although not generally realized by present day newspaper readers and observers of Far Eastern developments, there is a historical parallel in what is occurring today and the stirring developments which preceded the Boxer Rebellion in 1900.

China appeared at that time on the point of being divided among the Powers, led by Imperial Germany and Imperial Russia, both of which countries had seized Chinese territory and established "spheres of influence"—Germany in Shantung and Russia in Manchuria.

In order to protect themselves, other nations were preparing to follow a similiar procedure. Great Britain had established a naval base at Weihaiwei on the upper Shantung coast in order to offset the Germans at Tsingtao, and in addition the British had marked out the Yangtze Valley as their "sphere of influence". The French, not to be left out of the game had established themselves at the port of Kwangchow-wan on the upper east coast of the Luichow Peninsula, which separates the South China Sea from the Gulf of Tongking.

The policy of splitting up China came to be known in diplomatic annals as the "sphere of influence" doctrine and this in turn was responsible for the development of another policy known as the "open door", which was proposed by John Hay then Secretary of State. The United States Government, which was not in a position to enter into the game of grabbing Chinese territory due to Congressional opposition, was consequently opposed to the setting-up of "spheres of influence" in Chinese territory, which would have excluded American traders. In consequence the United States demanded an "open door" or the right to trade on a basis of equality throughout the territories of China, irrespective of exclusive "spheres" marked out on the Chinese map by European nations.

Thus, there prevailed in all world capitals an acrimonious discussion pertaining to theories of dealing with China. It was at this point that the Associated Chambers of Commerce of Great Britain sent a special mission to China which was

headed by Lord Charles Beresford. Beresford arrived in Hongkong on September 30, 1898, and after several months investigating conditions in all parts of China wrote a report which later was published by Harper & Brothers of New York. It consisted of approximately 500 pages, and for the most part comprised a survey of conditions then existing in all of the chief Chinese ports. Lord Beresford's report is too long for analysis here, but the following paragraphs from his preface are of startling significance when viewed in the light of present developments in China:

"The break-up of an empire of four hundred millions of people is an event that has no parallel in history. When I undertook the mission confided to me by the Chambers of Commerce I frankly admitted that I did not fully grasp the dimensions of the problem, the solution of which is only possible by clear thought and decisive action—qualities which have been conspicuously absent from our dealings with China in the latest difficulties in the Far East. Although my report deals mainly with trade and commercial questions, it cannot exclude considerations of high policy.....It is impossible to ignore conditions inseparable from commercial questions—matters pertaining to international, racial and political complications.

"The British and American publics have been quite bewildered by the controversy which has raged during the last year over the relative merits of the 'open door' and the 'sphere of influence'.

"Investigations on the spot have convinced me that the maintenance of the Chinese Empire is essential to the honor as well as the interests of the Anglo-Saxon races, and I hope that when the British and American peoples are acquainted with the facts as a whole, they will be similarly convinced. The diplomatic and commercial prestige of Great Britain has been affected by the events in North China, but only in a slight degree when compared with the loss of good name involved by forcing concessions from China when she is prostrated to powers stronger than herself. Heretofore British policy has been to befriend weaker nations. It cannot be said that this policy has hardly been followed in the Far East. We have taken advantage of the impotency and distress of the authorities and people of China to advance our own interests, and consequently China has become suspicious of Great Britain—this is not only natural but inevitable.

"Our present proceedings are certain to encompass the doom of China and equally certain to produce international strife. The mastery of Asia under a system of 'spheres of influence' will not be determined by an effusion of ink. A straightforward recognition of the principles of freedom, fair dealing and equality of opportunity, which have made our position in the world, coupled with resolution and vigor in carrying these principles out, will not only preserve the integrity of the Chinese Empire, but will conduce more largely to our interests, than the present plans of taking what does not belong to us because other powers are doing the same.

"Unless a definite settlement of the problem in the Far East is thought out and brought into effect, war is certain and the whole civilized world may be compelled to share in the conflict.....The problems connected with the future development of trade in China will be more easily solved if the powerful Anglo-Saxon races can come to some mutual understanding regarding them. As the interests of the United States and Great Britain are absolutely identical in China, an understanding must conduce to the benefit of both great nations, and certainly make for the peaceful solution of the difficulties. Both are essentially trading nations, neither want territory, they both wish to increase their trade....With an equal opportunity throughout China, they would not only increase their trade, but do much toward increasing the prosperity of the entire world."

The declaration in the preface to Lord Beresford's report undoubtedly expressed the views of a majority of the British people, despite the fact that certain elements motivated by imperialistic interests in the Far East favored the other policy of carving out a British "sphere of influence." In other words, Beresford supported the American theory of the "open door" as the more satisfactory method of dealing with China; but the situation had gone too far.

The repercussions produced by the Kaiser's action in Shantung and Russian action in Manchuria, plus what was described as the game of "concession hunting" in Peiping, precipitated the Boxer Rebellion, which was a fanatical Chinese protest against foreign aggression, a protest secretly fostered by the weak and cowardly Manchu Government, which had been following a policy of non-resistance to alien aggression. The action of the Powers in suppressing the Boxer Rebellion and the establishment of foreign garrisons in North China was the final blow which caused the downfall of the weak, corrupt and inefficient Manchu regime, which had irretrievably lost its prestige because of its policy of non-resistance and inability to defend the country against alien aggression.

It is now generally recognized that the rivalries of the European Powers in Asia, extending over two or three decades, constituted a leading cause of the World War which broke out in 1914. In the Far East the outstanding development was the emergence of Imperial Japan, as the successor of Imperial Germany and Imperial Russia as an instrument of aggression in the Orient. Japan immediately took advantage of the preoccupation of the European Powers to seize the German "sphere" in Shantung Province and to strengthen her position in South Manchuria. Finally she presented China with the notorious Twenty-one Demands (1915), which were designed to put the finishing touch to China as a sovereign nation. It was at this point that the United States, which had not yet become involved in the European war, intervened and prevented Japan from carrying out all of her ambitious program. At the conclusion of the war, China refused to sign the Versailles treaty because the Allied Powers had agreed to permit Japan to remain in possession of the former German interests in Shantung.

The next milestone was the Washington Conference called by the late President Harding in 1921 following the World War. Although the Versailles Treaty had been signed and the League of Nations created with the object of preventing future wars, it had soon become apparent that the

Powers were on the road toward another struggle. Britain, America and Japan emerged from the War with excessive armament, adversely affecting the peace of both the Atlantic and the Pacific, while the rivalries between France and Italy in the Mediterranean were equally serious. In order to head-off the catastrophe of another war, it was decided to call a general disarmament conference to meet in Washington. But when the statesmen of the principal Powers, chiefly America and Britain, began to study the question seriously, they quickly discovered that it would be impossible to limit arms without attempting to solve the problems which made the maintenance of large navies and armies necessary. Also it was generally realized that most of the causes of unrest and jealousies in the Pacific area were centered in China, and were directly due to Japan's seizure of Shantung Province and her attempt to interfere in the domestic affairs of the Chinese Republic. This caused the Powers to include Far Eastern questions in the matters to be discussed at the Arms Conference.

The Washington Conference, first international gathering of this character ever called by the United States, was a voluntary meeting. Although pressure of public opinion was frequently brought to bear on particular nations in order to find a solution for specific questions, there was no military compulsion, such as characterized the preceding Versailles Conference. All treaties, agreements and resolutions adopted at the Washington Conference were voluntarily ratified by the various governments which had participated in the Conference.

From China's standpoint the most important action of the Washington Conference was the adoption of the so-called "Nine-Power Treaty," which was signed by the United States, Great Britain, France, Italy, Belgium, Netherlands, Portugal, China and Japan. The significant feature of this treaty was that it brought into orderly and legal from the principles enunciated in the exchanges of notes of a quarter century previously pertaining to the doctrine of the "open door" and equality of opportunity. It is interesting to read over the first four paragraphs of the Nine-Power Treaty and contrast the pledges contained therein with what Japan has done since 1931. The first four paragraphs of the Nine-Power Treaty were written by the Honorable Elihu Root, regarded as America's outstanding jurist who was a member of the American delegation:

1. The contracting powers agree . . . . . to respect the sovereignty, the independence and the territorial integrity of China.
2. To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government.
3. To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China.
4. To refrain from taking advantage of conditions in China to seek special privileges which would abridge the rights of subjects or citizens of friendly states and from countenancing such acts inimical to the security of such states.

It is obvious that Japan has violated in almost every particular these principles signed by her delegates and ratified by her government. The Japanese claim they were compelled to take unilateral action in order to defend themselves against a violation by China if Japan's so-called special rights in Manchuria. In other words, the Japanese alleged that an attempt by Chinese soldiers to wreck a South Manchurian Railway train a few miles outside of Mukden on the night of Sept. 18, 1931 had made it necessary for the Japanese army to adopt "defensive measures" which involved the immediate occupation of South Manchuria and within the comparitvely brief period of five years has resulted in Japan's military occupation of China's Northeastern Provinces of Kirin, Fungtien, Helungkiang and Jehol and the establishment of a separate or puppet government in that region. In addition, the Japanese have taken over Eastern Inner-Mongolia and are on the point of extending their military influence over all sections of Mongolia with the exception of Outer Mongolia, which is controlled by the Soviet Russians. The Japanese warlords have created another puppet administration known as the East Hopei Anti-Communist Autonomous Government which embraces the northern one-third of Hopei Province including most of China's coal resources. At the present time the Japanese are demanding that China grant the practical independence of five more provinces of North China, embracing Hopei, Shantung, Shansi, Chahar and Suiyuan. The object here, as elsewhere is to create still another puppet regime, which would be subject to the control of the Japanese military machine.

Lately as a result of a number of incidents in various parts of China involving murders and injuries to Japanese subjects, further demands have been made upon the Chinese Government, which have been accompanied by the dispatch of further military forces to Shanghai, Hankow, and North China. It is believed that Japan intends to reestablish her garrison consisting of a full division, which had been stationed without authorization at Hankow for several years prior to 1922, but which Japan was compelled to withdraw as a result of the action of the Powers at the Washington Conference.

Japan as the successor and imitator of Imperial Germany and Imperial Russia as proponents of the doctrines of force and aggression in Asia has thus precipitated another situation where military power has taken the place of discussion and cooperation in adjusting the relations of nations.

No one questions the fact that it was Japan's unilateral action in violating the Nine-Power Treaty and Kellogg-Briand Anti-War Pact through the Manchurian intervention in 1931, that precipitated the wave of military violence which is now sweeping the world and leading to another general conflagration. It is obvious that the alternative to peaceful discussion and compromise in accordance with treaty provisions is the use of self-protective armed force, and this in turn leads to competition in armament with the final objective of war as the only way of settling international differences.

T. A. Bisson, research director of the American Foreign Policy Association, in the course of a recent report dealing with the struggle of the Powers in China, has characterized the present situation as the "dangerous game of power politics' In his report on this subject dated Aug. 1, he said:

> "A complicated and dangerous game of power politics has succeeded the era of relative stability which followed the Washington Conference of 1921-1922. The Nine-Power Treaty, pledging respect for the "open door" and China's territorial and administrative integrity, has become a dead letter. Limitation of naval armaments has been jeopardised and naval building has been resumed on a vast scale. Thus the two pillars of the treaty structure set up by the Washington Conference, which checked Pacific rivalries for nearly a decade, have collapsed. Step by step, Japan is methodically enforcing its demand for supremacy in Eastern Asia. The continued extension of Japanese military, political and economic influence over China has created a permanent Far Eastern crisis, which is becoming steadily more ominous.
>
> "The great turning point in the development of Chinese history was the Amau statement in April 1934 which practically gave notice to the Powers that in future no major operation could take place in China except with Japan's approval and consent. This declaration of a virtual Japanese veto power over China's foreign relations created an immediate furore in Western chancelleries, and elicited widespread press comment in all countries. Official reactions, however, were slow, with the United States holding back until Britain had taken the lead, in contrast to the 1931-1932 period. On April 25th the British Ambassador at Tokyo addressed to the Japanese Foreign Minister what was later termed by Sir John Simon a 'friendly inquiry' accompanied by a statement that the Nine-Power Treaty guaranteed the 'principle of equal rights in China,' which Britain 'must, of course, continue to enjoy in common with other signatories. The Ambassador 'assumed' that the Amau Statement 'was not intended to infringe' these rights or 'Japan's own treaty obligation.' "

The gradual subjection of China and conversion of the country into a protectorate of Imperial Japan as epitomised in the Tangku Truce of May 31, 1933 and the Ho-Umezo Agreement of June 9, 1935 has naturally caused the other Powers to take steps to protect their interests in areas of the country dominated by the Japanese military. The Japanese demands embraced in the Ho-Umezo Agreement which paved the way for Japan's control of the northern Chinese provinces immediately created a cisis for enterprises of Occidental nations located that area. These demands were to the following effect: removal of Yu Hsueh-chung, governor of Hopei province, and his Fifty-first Army; discharge of certain Peiping and Tientsin officials; withdrawal from Hopei province of the Third Regiment of gendarmes, and the Second and Twenty-fifth division of regular government troops; dissolution of the Blue Shirt organization and the political training department of the Peiping Miltary Council; suppression of Kuomintang party organs in Hopei province; prohibition of anti-Japanese activities; and acceptance of Japanese advice in Hopei provincial and city official appointments. Although these demands allegedly were agreed to by Gen. Ho Ying-chin, Minister of War in the National Government, the Japanese are now demanding that the Executive Yuan recognize them and thus legalize Japan's control of the Northern provinces in addition to Nanking's recognition of the complete independence of Manchukuo.

It remains to be seen how far General Chiang Kai-shek and his associates in the National Government will be forced to accede to the Japanese demands, but sufficient has already occurred to precipitate a crisis in the relations of the Powers in Asia, thus bringing about a situation similar to that which prevailed prior to the Boxer uprising. This crisis has been accompanied by the usual intrigue with tendencies toward the formation of groups of Powers having similar aims such as Japan and Germany, Britain and Russia, Britain and Japan, American and Britain, America-Britain-Russia. Whether these tendencies will lead to another revolutionary uprising in China with the inevitable intervention of the Powers, or whether it will ultimately precipitate another world war centered in the Pacific, cannot be foretold at this time. But, as stated, the alternative to treaty observance and cooperation is armed self-protective force leading toward war with the ultimate victory going to the nation possessing superiority of financial strength, economic resources, scientific development and technical skill.

Chinese Match Industry Hurt by Smuggling of Japanese Product

Among the numerous industries hurt by the smuggling of Japanese goods is the Chinese match industry. All Chinese match companies, except the China Match Co., report a decrease in bus ness.

A Nanking message Oct. 4 stated that the General Bureau for the Prevention of Railway Smuggling will be removed from the Capital to Tientsin shortly.

Customs collections at Tientsin and Chinwangtao, according to present indications will this year fall by $20,000,000 compared with the previous year. The decline is attributed to the wholesale smuggling of Japanese goods.

Smuggling Activities Renewed in Peiping

Smuggling activities are once more assuming alarming proportions along the railways linking Peiping, according to the customs authorities. More than 600 tons of contraband goods, most of which are sugar, artificial silk, and gasoline, were shipped to the old capital during the latter part of last week by way of the Tientsin-Tungchow Highway and the Peiping-Liaoning Railway. Many smuggling cases were also reported by the Peiping-Suiyuan Railway Administration.

A message relayed from Kalgan through Tientsin reveals that Japanese ronin are now smuggling goods into the interior from Jehol. It is stated that following the strict enforcement of the anti-smuggling regulations along the Peiping-Suiyuan line the smugglers are sending their contraband goods by trucks to Changpei where they are taken by carts to Suiyuan, Ninghsia and Kansu.

British Home Fleet Holds Unprecedented Maneuvers —U. S. in Throes of Presidential Election

BRITAIN'S determination to proceed with rearmament plans, no matter what the opposition might be, were expressed by Neville Chamberlain, Chancellor of the Exchequer, in a lengthy address before the Conservative Partry Congress at Margate Oct. 2, thus confirming the position taken up last week before the League of Nations by Anthony Eden, Foreign Secretary. Mr. Chamberlain said that when the program is completed, Britain would have a Navy adequate to protect vital lines of communication, an Army trifling in numbers compared with the vast armies on the Continent, but equipped with the most modern weapons and mechanical devices, and an Air Force which in speed, range, power of machine, quality and personnel would be second to none. The Chancellor's speech preceded by three days battle maneuvers of the British Home Fleet off the coast of Scotland on the most extensive scale in history, in which the 16-inch guns were supplied with an extra allotment of shells. One of the features of the maneuvers was mass firing by battleships, cruisers and smaller craft against moving targets. Battleships of the *Queen Elizabeth* class were reported to have straddled a fast moving target with a second salvo at a distance of ten land-miles and practically demolished it with two more. On Oct. 3, Germany's first battleship since the signature of the naval agreement with Great Britain, and in accordance with it, was launched at Wilhelmshaven. The new vessel displaces 26,000 tons and is named *Scharnhorst*.

While the nations of the world are arming in defense of national rights, or aspirations, internal social problems continue to present problems of a serious character for the authorities of the respective countries. On the very same day (Oct. 4) both in Paris and in London the Police clashed with huge crowds who insisted on holding meetings. The trouble in London had its inception in the attempt of the Fascists under the direction of Sir Oswald Mosley to hold a parade in the East End, to which the Jewish and Labor organizations seriously objected. The Fascists defied police orders to disperse and the result was a series of clashes in which several persons were injured. A total of 84 arrests was made. A miscellaneous array of iron bars, chair legs wrapped with barbed wire, and broken bottles was picked up after quiet had been resumed. The magistrates were busy the following day. In Paris 20,000 police and Mobile Guards were called out and to a large extent were successful in preventing major clashes between Communists and Rightists, after numerous skirmishes in which more than 1,400 persons were arrested, and in the course of which many were injured. The radical elements in France are more and more insisting that the French Government shall abandon its policy of neutrality in Spain and come out openly in support of the Spanish Government, which is being hard pressed at Madrid.

In the United States interest in foreign affairs is for the moment practically nil, as the Presidential election is only a little more than three weeks off (Nov. 3). If the poll being taken by the *Literary Digest* this year approaches in reliability the reputation it earned in past years, it seems that President Roosevelt is doomed to defeat, as the vote so far recorded (both popular and by states) is very considerably against him. The high lights of the campaign are that the conservative *New York Times* has come out openly in support of the President, as has Senator Borah—thus throwing considerable cold water on the wild assertions of the Hearst Press that Roosevelt is practically in league with the Red elements. Despite the heat of the political campaign, reports from all parts of the United States agree that business is improving wonderfully, a somewhat surprising fact, as it has been almost always the case in previous presidential campaigns that business has suffered a relapse just before the election; even when the results were almost certain—which they are not in this campaign, for Roosevelt may develop last-minute support. Should he be defeated, Al Smith's quip that there is no way to beat Santa Claus will be thrown into the discard.

A significant statement was made by U. S. Secretary of the Navy Swanson in the Institute of Naval Proceedings published in Washington Oct. 5, to the effect that the present American naval policy would be continued regardless of the outcome of the forthcoming presidential election. "Through various changes in political administration, the United States Government has adhered steadfastly to the dogma of naval parity with the strongest country," he said. "This right is recognized at home and abroad."

Conference of Nurses Association of China Held in Nanking

In the presence of over 300 delegates from all parts of China, the thirteenth biennial conference of the Nurses Association of China held its opening ceremony at the Assembly Hall of the University of Nanking Oct. 1. The importance of the profession of nursing and its place in medicine were emphasized by Ma Chao-chun, Mayor of Nanking, and Shen Pei-lin, representative of the Central Kuomintang Headquarters. The present conditions of nursing education and administration, and the relations between nursing and education in general were reviewed in a speech by Chung Tao-chang, representative of Dr. Wang Shih-chieh, Minister of Education.

China Willing to Suffer "Minimum Loss" If Japan Wants Genuine Peace in Asia?

BY K. S. JUE

CHINA'S relations with Japan have been singularly unfortunate. Between the two nations, Japan has always been the recipient of benefits and China, the victim. When China was at the height of glory under that great empire founder, Tang Tai Tsung, Japan sent scholars over here to study our culture and arts. Subsequently the Chinese Buddhist monks and Confucian scholars went over to Japan to spread the seeds of civilization and this is the reason why the Japanese cultural and religious life has so much in common with that of the Chinese. Thus, China is a benefactor to Japan while the latter is China's faithful pupil. China gave Japan what she had unreservedly. In all reasonable expectations, Japan should repay China in appreciation and goodwill, or at at least cherish no harmful intention toward her former teacher, but such is not case. During the period of impotency, Japan minded her own business, but when she was strong enough, she invariably turned her eyes to the continent. In the latter years of the Ming Dynasty about 400 years ago, the Japanese began to ravage our seacoast. They came over in ships of war numbering hundreds and sometimes thousands to prey on our coastal towns. At first they just came over to plunder and then sailed away. Later on, they became bolder and bolder until they occupied cities and towns. Wherever they trod upon, murdering, plundering, and burning followed as a matter of course. They practically laid waste China's coast from Chekiang to Shantung.

"ANTI"

Chen Li-fu, (陳立夫) one of the outstanding leaders in both Government and Party, has been credited in the Japanese press with leadership of the group in the National Government which is opposed to the Japanese program and is striving to safeguard China from Japanese aggression. Mr. Chen is a native of Wu-hsing, Chekiang and received his education at Peiyang and the University of Pittsburgh.

When the Japanese pest became unbearable, the Emperor Ming Hin Tsung appointed a special defense commissioner to wipe out the invaders. As the Chinese defensive forces were better organized, every attack meant annihilation of the Japanese. A repetition of this effective measure finally taught the Japanese a lesson. We put the Japanese to flight and annihilated those who remained in China. This was a guarantee for China's safety and the tragic end of the Japanese invasion against China's seacoast. Seeing China was too strong to be attacked, their attention was turned toward Korea. There, too, the Japanese army was ultimately defeated by the Chinese and Korean forces. Since then the Japanese took to their heels and sailed back to Japan and never dared invade the continent until 1894. There was a breathing space of three hundred years of peace between China and Japan.

The War of 1894

Over the question of Korea, China came into conflict with Japan again. Korea as a small nation was unfortunately located between China and Japan. China has long been the protector of Korea and that relationship had been established in the early Tang Dynasty. Here, Japan came to intrude upon China's long acknowledged overlordship with regards to Korea. Of course, China wouldn't give up without a struggle. Any nation would do the same thing under the circumstances. In that struggle China had the misfortune to come out second best. As a result, Japan exacted 200 million taels and the cession of Formosa from China, besides opening several ports to trade.

Seizure of Manchuria

After twenty-one years of normal relations, Japan taking advantage of the European war, forced the 21 secret demands on China. In order to avoid more evil consequences, China acceded to part of them. Still, Japan wasn't satisfied. In 1931, the Japanese seized Manchuria without any justification. When Japan invaded Chinese territory, the most natural thing was for the Chinese to hit back. Since the Chinese people could not match the Japanese army in the battlefield, they chose a much milder and less harmful weapon and that was the boycott against Japanese goods. The whole population were keenly indignant against the invading nation; naturally four hundred millions to a man agitated against Japan. The anti-Japanese attitude was the outcome of Japan's hostile acts. The Japanese reasoning seems to put the wagon before the horse. They want to "shadow the sky" with their palms. They blames the Chinese for possessing anti-Japanese feelings. The Japanese militarists thought they could stop the anti-Japanese agitation by attacking Shanghai, the chief seaport of the Orient. They succeeded in destroying a large part of Shanghai, but they could't diminish one iota of the anti-Japanese agitation which was a spontaneous fire burning in the hearts of the Chinese people. These brutal acts on the part of Japan only intensified the Chinese feeling to still deeper bitterness and strengthened their determination to fight to the last ditch! The Japanese militarists like magicians still think that if they could occupy more Chinese territory, the Chinese would be cowed into silence.

"PRO"

Chang Kai-ngau, (張嘉璈) for many years head of the Bank of China at Peiping and later manager at Shanghai, is now Minister of Railways at Nanking. Japanese newspapers unanimously credit Mr. Chang with leadership of the group which favors cooperation with Japan. Mr. Chang is a native of Paoshan, Kiangsu and received his education at the High Technical School in Peiping and Keio University in Japan.

Now, they want Inner Mongolia and North China. Contrary to their expectations, they only expose their weakness to the whole world. Japan can no longer defend herself before the bar of world opinion. She is fast approaching moral bankruptcy. As soon as a nation gets to this stage, her day of reckoning is not far off. Never was a nation in the historical past able to long endure through conquests and moral decay. Japan is skating on thin ice now. Unless she turns back from her present course, her doom is sealed and the only question is when?

How to Solve the Japanese Problem

For the time being, we have locked horns with Japan. If we fail to find a solution, either we destroy them, or they destroy us. Either way is not a blessing to the Orient. The best interest to the two countries is mutual respect and mutual co-operation. Japan by her repeated invasions has already upset this happy condition. She has chosen to be the aggressor and it is up to our nation how to deal with her. Here, opinions differ far and wide. Some, moved by patriotic fervor, desire to fight them to a finish while others being more realistic are bent on making peace and still others are inclined to adopt the middle course. The government has adopted the policy of making peace when the price is not too high and war and when there is no channel to escape. It is now in order to discuss the merits one by one. The fighting policy is good only where we have a chance to be victorious.

Before a nation goes to war, she has to calculate her own strength and that of the enemy. If the comparison is too great, the chance of victory is non-existent. It would be folly to plunge into a war under such conditions. Now our premises are established. Let us next compare Japan's strength with ours. On the sea and in the air the Japanese have overwhelming superiority. On land they excel us in armament, equipments, and in thoroughness of training. In a modern war, courage no longer equals machines; and the battle of Shanghai has proved it. Numbers count to some extent, but are not sufficient to offset the advantages of modern equipment. A small organized and well equipped army can rout a big ill-armed force. Lord Robert Clive's conquest of India is a case in point. It is true that we can fight guerilla warfares and make the enemy pay high prices for what he gets, but guerilla warfares can never win overwhelming victory. So defenseless is our coast that the enemy can land anywhere he may choose. As soon as the war commences, we shall be subject to blockade by the Japanese navy. Thus our source of supplies will be shut off. Then, we would be forced to fight in passive defense. This is about the surest way to lose in the contest. We may raid the Island Empire by air, but this can never be shocking defeat to the enemy. While we carry out this plan, the Japanese will take possession of our coastal cities, causing consternation among our population. In the end, we shall have to seek peace and the enemy will dictate the terms because of his gaining the upper hand, or our resistance would collapse as a matter of course. If this conclusion were not mistaken, we would have to solve the Japanese problem by means other than war. Consequently, the fighting policy is not the proper one to follow at this moment in spite of the fact that it satisfies popular demands. It is unwise to gamble off our national fortune at the impulse of the moment and regret the action afterward.

If the fighting policy is unsuitable, the natural sequence would be peace at any price. We shall be most delighted to be at peace with Japan again, provided there is any formula to reconcile the two nations by which we may find mutual benefits and co-operation. The stumbling block to this attainment lies at Japan's door. The more we are willing to make peace, the more she bends to exact something from us. What she wants we can never give because her demands are at the price of our independence. It is up to Japan to scale down her expectations. As long as she remains in her present mood, peace between the two nations will be impossible. China will never bow to a peace that means capitulation. She prefers to shed the last drop of blood to national extinction without a heroic struggle. If China dies fighting to the last inning, Japan will find herself caught in the dead giants' grip that she, too, might perish in the struggle. What will Japan gain in the end? It only spells ruin to the oriental nations. For China, the question is simple. If she has any chance of victory, she should fight. If not, then peace is preferable. The present anomaly is that the two nations are neither at peace, nor at war.

The existing state is the most dangerous one to the weaker nation. Incidents after incidents have happened and an unbearable situation is created. As every incident arises, we lose some ground. Our nation is similar to a piece of roasted meat on the platter and Japan is the carving knife. She can do us harm and we are unable to return in kind. Thus we become the destined losers, while Japan is the gainer. This condition will not stop until we find a solution. The absence of a way out of the existing situation only results in our detriment. Among nations, there is no such a thing as perpetual enmity, if there is, it would be disastrous to the nations concerned. France and England once were bitter enemies and now are allies. The policy of "give and take" is another necessary evil. A nation must learn to adapt herself as circumstances may require. France was forced to give up Canada, and England to acknowledge the independence of America. It was not defeatist tendency to seek peace at any price when Germany couldn't do any better. Look at Germany today! Unless we can be at peace with Japan, we can not turn our whole attention to the program of reconstruction. It doesn't matter how rapidly we may progress, Japan can put a spoke in our wheel at her pleasure. Recent events at Chengtu, Pakhoi, and Hankow are sufficient to keep the heads of our government awake at night. The logical conclusion is that we have to be at peace with Japan. The only question is how much are we willing to concede to her.

Our government's key policy with reference to Japan is not unreasonable when viewed from existing circumstances.

We intend to suffer the minmium amount of loss when we must. We would sacrifice everything if our chance of survival is denied. Should Japan find our determination to be absolutely unalterable, she will follow the line of least resistance and take what we are willing to give. Then we may strike a balance and make peace with Japan. A nation of our size has the capacity to take punishment. Even loss of territory does not mean permanent impotence, but the greatest danger lies in the lack of unity and organization. Once our house should be put in order and progress made, our latent energy would be unlimited. Here lies the secret of solving the Japanese question. Yesterday, no government could make an unpopular peace and still remain in power to work out the nation's destiny. Today, the order of things is vastly different. For the first time after twenty-five years of incessant civil strifes, the country is at last unified and one government is able to speak for the whole nation. Since internal peace has become a reality, all we need now is external peace. The nation requires it and the people need its blessing. When this becomes realized, then the whole nation will

be able to devote every ounce of energy to constructive works. This was exactly what Turkey has been doing for thirteen years. She lost territory in the bargain for peace, but she gained in other directions. Now we witness a new Turkey capable of defending herself. If we bear temporary pains to effect a lasting peace today, we shall find a New China tomorrow. Not only will she be able to defend herself against encroachments, but will also be in a position to be a dominant factor in world politics.

Nanking, Oct. 6, 1936.

Japanese Reduce Guards But Exodus Continues—All Eyes Turned Towards Nanking

THERE was considerable tension in the Hongkew area of Shanghai during the latter part of last week incidental to the slight wounding of a Chinese woman by the accidental discharge of a rifle, in the hands of one of the numerous Japanese marines. For several days Japanese marine guards were posted at various strategic points and barbed wire sections were placed on the pavements ready to close the streets. The guards held their pistols with fingers on the triggers; those with rifles had fixed bayonets. The Chinese populace, despite what really amounted to extreme provocation, kept calm, and as in the end it became evident that the presence of these armed men and barbed wire sets could serve no useful purpose, the Japanese naval authorities called in most of their men. During the "occupation" by the Japanese marines several incidents occurred, involving Britons and Americans. V. F. Meisling, an American citizen in the employ of the *North China Daily News*, defied an order of Leiut.-Commander Tadano, Japanese staff officer, not to take any pictures of Japanese marines in the Settlement or anywhere else, without special permission of the Landing Party, application to be made either through the Japanese Consulate General, or the Municipal Police. When he, and a Chinese photographer, began snapping views of the barbed wire entanglement at the corner of Miller and Minghong Roads, the Japanese sentries on duty seized the camera and insisted that the exposed films should be taken to the Naval Landing, Party headquarters. Mr. Meisling was taken to the Japanese headquarters where he was told that the films would be examined and those that were not objectionable would be returned. When the films eventually were returned none of them were in usable condition. A report of the incident was made to Clarence E. Gauss, U. S. Consul General. The *North China Daily News* in an editorial comment on the photography incident, commented:—"There was a conspicuous lapse in ordinary courtesies on Thursday, which it is hoped the Japanese will not allow to be repeated for the sake of the good name of their Landing Party and the friendliness which must exist to make life in an international community tolerable." The other incident involved J. Thompson, a sixty-year old British seafaring man. Thompson, it seems, had brushed up against the butt of a Japanese marine's rifle while buying a paper in Range Road. The result was a scuffle. In the end he was taken to the fortress-barracks of the Japanese Naval Landing party on Kiangwan road. He was rescued from detention about an hour later when members of the Settlement Police arrived on the scene. Thompson was involved in a somewhat similar incident in Quinsan Park on July 1, 1934, at which time Japanese marines were likewise posted at various points in Hongkew. The Shanghai *Shun Pao* Oct. 2 intimated that the Japanese activities were designed to conceal the landing of arms and munitions, from a big Japanese warship which had arrived in port the previous day.

For several days during last week there was a considerable exodus of Chinese from the Chapei area. The Chinese authorities, however, gave assurances that there would be no trouble and by the end of the week the exodus had considerably lessened. In the meantime there has developed a similar exodus of Chinese from Hankow.

The *Hwa Mei Wan Pao*, Oct. 1 stated that an anti-aircraft gun had been installed on the roof of the Japanese barracks on Kiangwan Road that morning.

Shanghai Japanese Marines Stage Maneuvers in Chinese Territory

A sham battle was staged by more than 100 Japanese marines along Tungtsi Road, Chinese territory, on the morning of Sept. 30, the *Ta Kung Pao* of Oct. 1 stated.

Japanese Ask for More Plain Clothes Men in Hongkew

The Federation of Amalgamation of Streets Unions has asked the Shanghai Municipal Council for an increase in the number of plain-clothes Japanese detectives. A proposal to ask for the appointment of Japanese heads for the principal police stations in Hongkew was, however, shelved at a meeting of said Japanese Association held Oct. 2.

Correspondents Criticize Japanese Actions in Hongkew

Indignant correspondents in the *North China Daily News* Oct. 3 asked, among other questions: By what legal authority are the Japanese Landing Party permitted to restrain officials of the Shanghai Municipal Police from moving about freely in the course of their duties (as was the case recently when a Japanese sailor was killed in Hongkew)?

Another correspondent expressed the opinion that the Consular Body of Shanghai should take immediate action after consultation with its respective Governments and instruct the Shanghai Municipal Council to carry out in full its own functions in Hongkew. One correspondent commented: "Funny as this may seem, it is no joke to walk by sentries or to be passed by patrols when the accidental pressure of one inch per trigger finger separates you from eternity".

Secretary General Fessenden Explains Position of Police

Stirling Fessenden, Secretary General of the Shanghai Municipal Council, in an interview with the Shanghai *Evening Post* Oct. 3 stated that Shanghai residents are inclined to overestimate the authority vested in the Shanghai Municipal Police. He stated that although the Police are the authority entrusted with the task of maintaining law and order within the limits of the International Settlement, yet when a situation develops beyond the control of the municipal government, it then becomes a matter for national diplomacy and is more or less out of the hands of the municipal authorities.

"Manchester Guardian" Sees New Japanese Threats

Commenting on a report that the Japanese Ambassador, Mr. Kawagoe, is demanding, among other things, the right to station troops at certain points along the Yangtsze for the protection of Japanese citizens, the *Manchester Guardian* Sept. 28 said "this new, threatening addition to the usual series of demands" will eventually mean the extension of Japanese influence right down to Shanghai, Nanking and Hankow. Naturally, the journal declared, the Japanese Ambassador has been told that the demands are unacceptable, but the bargaining has only just begun.

Japan Declared Ready to Smash All Resistance

The *Shanghai Nippo* in an editorial Oct. 1 devoted to the strong attitude reported to have been taken by the Nanking government in the current Sino-Japanese negotiations commented:—"Japan is ready to break down all resistance to its plans for the establishment of peace in Asia. All Japan's subjects are united for the realization of this aim."

A Peiping message to *Shun Pao* Oct. 1 stated that the Japanese 1st, 2nd, 3rd, 4th, and 5th Armies are ready to be sent to the Yangtsze ports for the protection of Japanese nationals.

Adoption by China of a policy friendly to Japan will form one of the conditions upon the acceptance of which Tokyo would be willing to resume negotiations for a readjustment of Sino-Japanese relations, according to a *Domei* message from Tokyo Oct. 1.

Gen. Chiang Kai-shek Returns to Nanking

Gen. Chiang Kai-shek arrived in Nanking Oct. 5 at 2.40 p.m., traveling by plane from Nanchang.

The time has come for Gen. Chiang Kai-shek, President of the Executive Yuan, to say "Yes" or "No" to the question of co-operation with Japan, the local Nipponese papers agreed Oct. 2.

Policies to be adopted by Japan depending on the attitude shown by Gen. Chiang Kai-shek in his conversations with Ambassador Shigeru Kawagoe in Nanking were mapped out at another joint conference of representatives of the Ministries of Foreign Affairs, War and the Navy in Tokyo Sept. 30.

Kao Tsung-wu, Director of the Waichiaopu's Asiatic Affairs Department, Oct. 3 assured Ambassador Shigeru Kawagoe that the Chinese Government leaders, including Gen. Chiang Kai-shek, President of the Executive Yuan, were making every effort to break the existing deadlock in the Sino-Japanese negotiations, according to a *Domei* message from Nanking Oct. 3.

Kao Tsung-wu, director of the Far Eastern Section of the Chinese Foreign Office, returned by air to Nanking Oct. 2 from Kuling where he met Gen. Chiang Kai-shek. He called on Ambassador Shigeru Kawagoe the following day.

Anti-Japanese Handbills Are Distributed on Nanking Road

It was reported by the *Shanghai Mainichi* Oct. 5 that radical anti-Japanese handbills were distributed from the roofs of the Wing On and Sincere Companies on Nanking Road. As soon as the S.M.P. came to arrest the handbill distributors, the latter fled. The handbills pointed out that Japanese imperialism is advancing further to invade China. It was also stated that under the pretext of the protection of Japanese residents, Japan has sent gunboats and soldiers to China, endeavoring to force China to come under the control of Japanese imperialism, pending the Sino-Japanese diplomatic negotiations.

Kazue Kuwajima Arrives in Nanking

Confidence that problems now existing between Japan and China could be solved "peacefully, through diplomatic means" was expressed in Tokyo Oct. 3 by Kazue Kuwajima, director of the East Asiatic Affairs Bureau of the Foreign Office, when interviewed in Japan on his way to Nanking. "Now is the time to readjust Sino-Japanese relations; judging from the history of Japan and China, a rupture of the present pourparlers will cause Japan to resort to force to uphold national honor," he said.

While declining to disclose the Japanese proposals made at Nanking, Mr. Kuwajima insisted that they were "just and to the point." Incidentally Mr. Kuwajima said that inasmuch as the interests of both countries coincide in suppressing Communism, he felt certain that the two nations could easily co-operate in activities in that direction. A remark by Mr. Kuwajima to the effect that if the negotiations are successful, we shall be able to leave Tokyo in the morning and dine in Shanghai," was taken by *Domei* as pointing to the possible opening of an air service between Japan and China. Under such conditions, Mr. Kuwajima said, it would be possible for Gen. Chiang to visit Japan and for Hachiro Arita, Foreign Minister to return, the call.

Bringing with him what was generally described by the Japanese press as "the last word" of the Tokyo authorities regarding the present Sino-Japanese negotiations for a readjustment of the relations between the two countries, Mr. Kuwajima arrived in Shanghai in the afternoon of Oct. 5 aboard the *Nagasaki Maru*. A large number of representatives from the Japanese and Chinese Government circles greeted him at the jetty. He later held conferences with the highest local representatives of the Japanese Army, Navy and Foreign Affairs Ministries. He proceeded to Nanking the same night.

In announcing the departure of Kayne Kuwajima, Director of the Gaimusho's East Asiatic Affairs Bureau from Tokyo for Nanking Oct. 2, to convey Mr. Arita's fresh instructions to Mr. Kawagoe regarding the negotiations with the Chinese Government, a spokesman of the Foreign Office said that "China now stands at crossroads" and that the "Sino-Japanese situation is grave, as pointed out by Mr. Arita in his interview with foreign correspondents last week." The unprecedented action of the Gaimusho in dispatching one of its highest officials with instructions to an Ambassador was interpreted by political circles in Tokyo as indicative of the grave view taken by the Government of the situation in China.

Chinese Press Opinion

The *Ta Kung Pao* Oct. 1 commented: "China cannot tolerate any further aggression on her territory; China cannot tolerate any further infriegment on her sovereignty; the negotiations must be reciprocal and China is not ready to make any more one-sided sacrifices; during the negotiations, China will be one united whole and no one shall be allowed to disorganize its unity. The above enumerated four principles are the hopes of the Chinese people; the very existence of China depends on them."

The *Ta Kung Pao* commented Oct. 5: "Viewing the situation from the standpoint of common sense, the crux of Sino-Japanese problems is the problem of North China. From the Chinese viewpoint, China has endeavored to bring about the betterment of the situation in North China; while, from that of the Japanese, Japan has attempted to aggravate the situation in North China, so that the other three Northern Chinese Provinces might become autonomous, as are Hopei and Chahar. Due to the deviation of the opinions of both sides, there will be less hope in the negotiations."

Japanese Press Opinion

Noting that various political and other factors in Shanghai and elsewhere were gravitating towards creating the feeling that the Sino-Japanese situation had eased, the *Shanghai Nippo* editorially warned its readers Oct. 4 against taking too optimistic a view of the future.

The *Shanghai Nippo* Oct. 4 reported that Japanese circles were paying serious attention to the proposed organization of a "Caricaturists' National Salvation Association," with Jack Chen, son of Eugene Chen, former Chinese Foreign Minister, as the central figure. Mr. Chen recently arrived here from a long sojourn in Moscow.

The *Shanghai Mainichi* Oct. 5 commented:—"The struggle between the pro-Japanese group in the Nanking government and the Soviet-Europe-U.S.A. group has reached the explosive point. Dr. C. T. Wang, newly-appointed Chinese Ambassador to Washington, and Dr. Wang Chung-hui, member of the Central Committee of the Kuomintang, arrived in Shanghai from Europe Oct. 3. Foreign Minister Chang Chun met them and requested them to proceed to Nanking immediately. These two politicians are known as outstanding leaders of the Europe-America Group in the Nanking Government and their arrival will strengthen the influence which this group is able to exercise over Gen. Chiang Kai-shek, correspondingly weakening the pro-Japanese group. Chang Chia-ngau, who is one of the leaders of the pro-Japanese group, returned to Nanking Oct. 4."

"We shall help the Chinese people to establish a government of their own which will really strive for their welfare," the *Shanghai Mainichi* declared in an editorial commenting upon the dangerous stage now reached in the relations between China and Japan.

Japan-China Trade Not Affected, Says Consul General Wakasugi

Trade between Japan and China has not been affected by the current tension and Chinese orders for Nippon-made goods are showing a "remarkable increase," Kaname Wakasugi, Consul-General in Shanghai, reported to the Foreign Office in Tokyo Sept. 20. A survey made for Mr. Wakasugi by the Japanese Chamber of Commerce and other commercial organizations in Shanghai has reportedly revealed that the bumper crop in the interior of China has resulted in increased purchases of Japanese merchandise. Especial gains were recorded in the purchases of Japanese cotton textiles, sugar, paper, industrial chemicals, dyes, hardware, marine products and miscellaneous goods. Mr. Wakasugi's report predicted that the imports of Japanese goods into Shanghai in September would total between 35,000 and 40,000 tons.

Chinese Police Station Raided by Japanese Marines

The *Hwa Mei Wan Pao* Oct. 6 stated that the Branch Station of Chinese Police in Tientsung-an Railway Station was raided by a squad of Japanese marines late the previous night. The action of the Japanese marines was stated to have been caused by sheer misunderstanding arising from the flight of several ignorant peasants, who, had become frightened at the devil-may-care appearance of the Japanese guards and had rushed into the Chinese police station for safety. The Japanese guard immediately reported the matter to the Japanese Marine Headquarters whereupon a large squad of Japanese marines, equipped with machine guns, besieged the Chinese Police Station, but was later withdrawn after explanation by a nearby Japanese resident.

Japan to Oppose Intervention in Negotiations With China

Japan will not permit foreign intervention in the current Sino-Japanese dispute, which has to be settled directly between the two parties concerned, a high Gaimusho official told *Domei* in Tokyo Oct. 5. While the problem of her relations with China ia "a matter of life and death" to Japan, to others, including Great Britain and the United States, it is "only an economic or commercial issue," he added.

The details of the policy formulated on Sept. 30 by the Premier and Ministers of War, Navy and Foreign Affairs were communicated the some afternoon to Hsu Shih-ying, Chinese Ambassador, by Hachiro Arita, Foreign Minister.

Voicing satisfaction at the death sentences imposed on two of the three defendants charged with the murder of Warrant Officer Hideo Nakayama, Japanese naval and diplomatic officials Oct. 1 united in paying tribute to the untiring efforts of officials of the Shanghai Municipal Council in securing the convictions.

British Embassy Denies Reports of Evacuation of Nationals from Hankow

Reuter was informed by the British Embassy in Nanking Oct. 6. that there is no truth in reports that had been circulated during several days previously to the effect that arrangements had been made by the British authorities to evacuate British women and children from Hankow and other Yangtsze ports. The Embassy spokesman pointed out that no action whatever of this kind had been taken, there being no reason to apprehend danger to British subjects.

Investigations Into Pakhoi Incident Continued at Canton

Following the completion of investigations by Chinese and Japanese officials, negotiations for a settlement of the Pakhoi incident are being continued at Canton.

Bomb Found Near Japanese Consulate at Changsha

Strong representations were made Oct. 1 by Suehiko Takai, Japanese consul at Changsha, to Gen. Ho Chien, chairman of the Hunan Provincial government, regarding the finding of a bomb four feet from the consul's residence on Sept. 29. The bomb, said to have been wrapped in a handkerchief, was reportedly found in a grassy plot on a path between the consul's residence and the consulate by a Chinese passerby.

Gen. Chiang Kai-shek Returns to Nanking; Chinese Press Appeals For Peace

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **General Chiang and Kawagoe To Meet in Nanking Soon.**
2. **National Defense Council Slated To Meet at Nanking October 7 and 8.**
3. **Rumors of Troop Movements Are Rife in Hangchow and Soochow.**
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8. **Reds in Shensi and Kansu Suffer Defeat With Arrival of Nanking Troops.**

After an absence of almost 80 days, General Chiang Kai-shek, President of the Executive Yuan and of the Military Affairs Commission, returned to Nanking from Nanchang, provincial capital of Kiangsi, on board a Junkers airplane at 2.40 p.m. Oct. 5 in the company of Madame Chiang, General Chien Ta-chun, Director of the Adjutants' Office of the President of the Military Affairs Commission. It may be recalled that General Chiang left the Capital for Kuling on July 18. He departed for Canton by airplane on August 11 to liquidate the Kwangtung and Kwangsi crises by peaceful means and give instructions regarding the rehabilitation of the two provinces. With national unification assured, General Chiang left Canton on Sept. 28 for Nanchang for a short sojourn. He returned to Nanking in order to attend to the preparations for the celebration of the unification of the country on National Independence Day, Oct. 10, and to deal with important affairs in the Capital.

Although it was reported Oct. 6 that an interview between General Chiang Kai-shek and Mr. Kawagoe, the Japanese Ambassador, would take place Oct. 7, official sources in Nanking declared that a meeting between them so soon was exceedingly unlikely, as no arrangements had yet been made. General Chiang Kai-shek received General Chang Chun, Minister for Foreign Affairs, Oct. 6 and heard reports on the latest developments in the Sino-Japanese situation.

Sino-Japanese relations moved towards an important stage with the arrival in Nanking Oct. 6 of Kazue Kuwajima, director of the East Asiatic Affairs Bureau of the Gaimusho and special courier of Tokyo's "inner cabinet" to Ambassador Shigeru Kawagoe. Soon after arrival, Mr. Kuwajima motored to the Embassy where he was closeted for more than one hour with Mr. Kawagoe. Later in the morning he presided at a meeting of other local diplomatic, naval and military officers. Among the latter were Consul-General Yakichiro Suma; Motoki Matsumura, third secretary; Lieut.-Col. Tatsumi Amamiya, resident military officer and Lieut.-Commander Saburo Nakahara, naval resident officer. According to a spokesman of the Japanese Consulate-General, Mr. Kuwajima does not intend to call on any high Chinese government officials, his mission being merely to convey Tokyo's instructions to Ambassador Kawagoe.

Optimism with regard to the forthcoming direct negotiations between Gen. Chiang Kai-shek, President of the Executive Yuan, and Ambassador Shigeru Kawagoe is "unwarranted," the Nanking correspondent of the *Tokyo Asahi* reported Oct. 6. The Nanking correspondent of the *Tokyo Nichi-Nichi* predicted that the conversations between the two statesmen will open on Oct. 9 or 10.

Since he is the real dictator in China, Gen. Chiang Kai-shek may perhaps refuse to negotiate directly with Japan on all details of Sino-Japanese relations, in which event negotiations will be conducted through Gen. Chang Chun, Minister of Foreign Affairs. Thereby Gen. Chiang will be able to evade personal responsibility. Although Mr. Kawagoe may make a concession and negotiate with Gen. Chang Chun, he cannot avoid seeking from Gen. Chiang his personal pledge of responsibility in connection with the negotiations. If Gen. Chiang should refuse to give such a pledge, Japan will be ready to break off all negotiations, reported *Shanghai Nichi-Nichi* Oct. 6.

The Ministry of Foreign Affairs spokesman neither denied nor confirmed Oct. 1 Chinese counter-demands reportedly having been presented to Mr. Kawagoe, Japanese Ambassador, by Gen. Chang Chun, Chinese Foreign Minister, during their last meeting, according to a *Central News* report.

For seven hours ending at 3 a.m. Sept. 30, Y. Suma, Japanese Consul-General at Nanking, and Chang Chia-ngau, Minister of Railways, exchanged views about the existing Sino-Japanese crisis. The details of the lengthy conversation, however, have not been divulged. Mr. Suma also had a two-hour conversation with Wu Ting-chang, Minister of Industries, on Sept. 29.

Much interest has been aroused in diplomatic circles in Nanking by the interview Oct. 2 between Y. Suma, Japanese Consul General in Nanking, and R. G. Howe, Counsellor of the British Embassy in Nanking, the nature of the conversation has not been ascertained. It is, however, believed Anglo-Japanese relations during the present Sino-Japanese diplomatic difficulties were touched upon.

Gen. Chang Chun, Minister of Foreign Affairs, Wu Ting-chang, Minister of Industry, Chang Chia-ngau, Minister of Railways, and Wang Shih-chieh, Minister of Education, are striving to soften Japan's attitude, reported *Shanghai Nippo* Oct. 2.

Dr. H. H. Kung, Vice-President of the Executive Yuan, who arrived in Shanghai from Nanking on Sept. 30, has made several requests to the local Japanese authorities for an interview, but these requests were categorically refused, reported *Shanghai Mainichi* Oct. 1. A seven-hour interview, lasting from midnight on Sept. 29 until dawn on Sept. 30, took place in Nanking between Gen. Chang Chun and Y. Suma, in Nanking. Violent arguments arose in the course of the interview.

NATIONAL DEFENSE MEETING SAID SLATED FOR OCT. 7 AND 8

Sino-Japanese relations will form one of the four items to be discussed at the first plenary meeting of the National Defense Council to be held in Nanking Oct. 7 or 8 under the chairmanship of Gen. Chiang Kai-shek, Japanese evening newspapers in Shanghai reported Oct. 2. Other subjects on the agenda, according to these papers, are: Strengthening of defense measures around Shanghai; The disposal of the 29th Army; Measures to be taken in connection with the situation in East Suiyuan; and The reorganization of Kwangsi troops.

RUMORS OF MILITARY MOVEMENTS ARE RIFE IN HANGCHOW AND SOOCHOW

Rumors of troop movements in the Hangchow and Soochow areas are rife as a result of the present strained situation between China and Japan. With a view to ascertaining the truth concerning these rumors, the political correspondent of the *Shanghai Nippo* conversed Oct. 2 by telephone with the Japanese consulates in Hangchow and Soochow. According to Mr. Matsumura, Japanese consul at Hangchow, Chinese troop movements are in fact taking place in the region of the Chekiang capital, but Mr. Matsumura was unable to supply any details. That the situation is tense is further indicated by the great activity taking place at the Aviation Academy in Hangchow, Mr. Matsumura added. As regards Soochow, Mr. Yoshikawa, a member of the Japanese consular staff in that city, said he was unable to give any details of the troop movements taking place there. He declared, however, that prices of food are showing a tendency to rise. All is at present quiet in Soochow, and the local authorities are acting vigorously to prevent any anti-Japanese manifestations.

Shanghai Nippo reported Oct. 1 that the 2nd and the 25th Divisions of the Central Army, totalling about twenty thousand men, have recently concentrated along the Lunghai Railway, a part of which has started to move north along the Peiping-Hankow line. High tension is prevading the Central Air Forces in Hangchow. All students in the Central Aviation Academy in Hangchow are closely watching the impending situation, as it is feared that war might break out at any moment.

Shanghai Nippo reported Oct. 2 that, viewing the critical situation in Sino-Japanese relations, the Greater Shanghai Municipal Government and the Central Bank, including the Central Mint, recently removed all important documents and equipment to some other places. From January to the beginning of September, this year, 117 million dollars of silver bars have been transported to the United States; during the past several days, more than $80,000,000 of silver bars were transported to the same country. It is understood that the outflow of Chinese capital indicates the consolidation of the capital abroad and the result of the uneasiness and anxiety concerning the critical situation in Sino-Japanese negotiations.

In view of the present strained situation, the Ministry of Railways in Nanking has issued secret instructions to its Shanghai office to take all necessary steps in preparation for war with Japan, reported *Shanghai Mainichi* Oct. 1. In order to obstruct movements of Japanese troops, all railway locomotives in the Shanghai area are being removed to Hangchow. Heavy machine equipment, especially cranes capable of hoisting cars and trucks, is also to be removed to the Chekiang capital.

The Central Bank of China has already removed machinery used for the printing of bank notes, while the Central Mint has likewise removed the machines used for minting subsidiary coinage.

The City Government of Greater Shanghai has also removed its most important documents to another place, reported *Shanghai Nippo* Oct. 2.

The following Mandate was issued by the National Government Oct. 4 :

The period for the enforcement of the Military Secrets Protection Law is hereby ordered to be further extended for nine months.

CHINESE PRESS APPEALS FOR PEACE AND URGES UNITED STAND IN CRISIS

A frank and outspoken public statement setting forth the extremely explosive clouds which hover above the political horizon on China and Japan and appealing to both Chinese and Japanese people to exercise their utmost to avert the present crisis was issued Oct. 2 by the leading vernaculars of Nanking and Shanghai. The declaration outlines in detail the gravity of the present Sino-Japanese deadlock and its disastrous consequences on both nations if the current extremely unhappy state of affairs were allowed to take its own course. Stating that as China is now confronted with the unprecedented crisis all Chinese citizens should unwaverginly share the respons.bilities for the country, the statement warns the public against any rash action which may further aggravate the situation. "We should", the message says, "stand together and adhere to the concrete national policy and assist the government in suppressing all short-sighted anti-foreign acts." The statement further exhorts the public not to get unduly excited over the present uncertainty. "As we should take the future existence into consideration," it proceeeds, "we should not talk lightly of breaking off our relations with Japan just to appease our momentary impulse. On the other hand, we should not adopt a defeatist attitude and leave the destiny of the nation in the hands of the fate. China's present foreign relations are in no way similar to those of several years ago. Once she breaks off with another country it would be tantamount to gambling the existence of the nation to the last straw, and there is no way of retracting. Should a rupture occur between China and Japan, the situation would be as serious as just pictured. Once the hostilities were started and should China be forced to surrender it would mean endorsing a pledge of giving up her own independence. In that event our posterity would be left to suffer and chances of national revival would be nil. It is therefore imperative that we should consider the rupture of diplomatic relations as the last resort. Meanwhile we should still entertain the hope that some satisfactory solution to deadlock may be reached. But should the last resort fail, the whole populace should not hesitate to lay down their lives for their fatherland."

Turning to its appeal to the Japanese authorities and Japanese people the statement asserts that it is a grossly unjust to accuse the Chinese people of being anti-Japanese just because of the outbreak of the recent Changtu, Pakhoi, Hankow and Shanghai incidents. Although relations between the two countries have become more strained now, the statement explains, the Japanese nationals residing in China have been doing their business as usual during the last four or five days, and no unfortunate incidents occured. To seize such unfortunate affairs as a pretext to overturn the friendly relations relations hitherto existing between the two nations and to adopt a punitive and aggressive attitude, in the opinion of the Nanking and Shanghai newspapers, would not only leave an unpleasant impression on the Chinese but also unacceptable to the high-minded Japanese. Analysing the motives behind the recent killings, the manifesto asserts that they could not be done by any patriotic Chinese. To Nanking and Shanghai papers, those subversive sets must have been carried out by the plotters who are bent on undermining the prestige of China and on stirring up strained relations between China and Japan. Should Japan take any advantage of the present incidents she would fall into the hands of those reactionary elements. On other hand, Japan would gain friendship of the Chinese people in no small measure and she would also see eradication of so-called "anti-Japanism", if she realizes the real motive behind these incidents and rqeuests China to take such steps as are in accord with diplomatic usage.

The manifesto further urges Japanese newspapers to take a far-sighted view and do their best to strive for the resumption of normal relations between the two countries. China and Japan may work together for mutual prosperity or they may battle for mutual destruction, it believes. Mincing no words the Nanking and Shanghai dailies remind their Nipponese contemporaries that should no efforts be made to fundamentally readjust Sino-Japanese relations, the gravity of the future situation would far exceed that of Shanghai war and Great Wall fightings. Driven to desperation China would have to make her last sacrifice in the last effort to maintain her independence. Chinese public opinion, it says, has reached a point whereby it will not tolerate the government into accepting humiliating terms in order to preserve peace. China might have to suffer untold sacrifice but could Japan escape from such a disastrous whirlpool in the Orient ?

An atmosphere of profound pessimism prevails in Nanking in view of Japan's insistence on direct negotiations with General Chiang Kai-shek and the equally firm stand in Chinese quarters that any negotiations must be conducted through General Chang Chun, the Minister for Foreign Affairs, according to a *Reuters* message Oct. 2. In an outspoken leader, the *Hsin Min Pao* characterises the recent statement of the spokesman of the Japanese Foreign Office that the time was ripe for General Chiang Kai-shek to return to Nanking to solve outstanding Sino-Japanese issues as "contrary to diplomatic usage and courtesy." The *Hsin Min Pao* declares : "Apart from hoping that the Japanese Government will adopt a reasonable attitude and follow the usual procedure in negotiations, China can only prepare to make final sacrifices if necessary, for no matter how peace-loving China may be, she cannot withstand unlimited humiliation."

If Japan should attempt to force China to sign treaties detrimental to her national sovereignty and territorial integrity, the Chinese people will rather spill their blood instead of submit to force. Thus concluded a manifesto issued Oct. 5 by the Hankow press association to the nation as an endorsement of the views as set forth in a declaration issued by the Shanghai and Nanking journalistic circles on the Sino-Japanese negotiations. Unless all hopes for peace are exhausted, the declaration said, the Chinese people will maintain their attitude of forbearance and patience in order to stabilize the nation's social structure. But in the event that China's patience is not appreciated by Japan who should insist on robbing China of her national life, then it would be time for every Chinese to make his supreme sacrifice in the defense of his nation.

Calling upon the entire four hundred million people to stand solidly behind the Central Government in the present critical Sino-Japanese relations, the Canton press, composed of over 20 papers, has issued a circular manifesto to the nation entitled : "How to deal with the present crucial situation." The declaration is an echo to the manifesto issued by the Shanghai and Nanking journalistic circles, endorsing in the main the views as set forth in the latter pronunciamento. Two essentials, the declaration pointed out, should be faithfully borne in mind by the Chinese citizens, namely, (1) the entire people should be determined to "contribute" their lives to the nation, and (2) they should stand shoulder to shoulder in their unwavering support to the Central Government.

"While we will continue to pray for peace," the declaration observed, "we must in the meantime be ready to perform our sacred duties of loving and defending our country when and if such would be the only road open." Then addressing the Japanese people the declaration clarified the point that any readjustment of Sino-Japanese issues must lie in proper diplomatic channels, and further the success of such negotiations depends upon the sincerity of Japan. The effectiveness of Sino-Japanese negotiations, the manifesto said, must come from Japan's awakening to the air-minded stand that all negotiations must be based on the principle of mutual benefit and mutual equality.

Two Japanese newspapers in Shanghai Oct. 4 devoted their editorials to comment on the manifesto, issued by the Chinese press. "Among the vague, pretty phrases, which abound in the document, we find the Chinese people being urged to maintain a dignified attitude and not to engage in blind anti-foreignism, "the *Mainichi* said" This in no way expresses good faith on the part of China, nor does it provide any evidence that China has reconsidered her past attitude."

In a similar vein, the *Nippo* branded as "misleading" the conclusion of the authors of the manifesto that the series of murders of Japanese were the work of a number of plotters.

KEY OF SOLUTION IN JAPANESE HANDS, DECLARES GENERAL CHANG

The key to a fundamental solution of the present Sino-Japanese difficulties is in Japanese hands, declared Gen. Chang Hsueh-liang, Deputy Commander-in-Chief of the Northwestern Bandit Suppression Forces, in an interview with a correspondent of the *London Daily Herald* at Sian Oct. 2. During the interview, Gen. Chang emphatically made clear three important points :

First, there is absolutely no truth in foreign press reports that four Northwestern Provinces have declared independence and have entered into an alliance with Soviet Russia ;

Second, Gen. Chang himself and other military leaders in the Northwest pledge themselves absolutely to the support of Gen. Chiang Kai-shek and national unity against alien aggression ; and Third, Gen. Chang himself and other military leaders in the Northwest obey absolutely the orders of the Central Government and are willing to serve the nation at the first line of China's national defence.

Gen. Chang said it is up to Japan to solve the present impasse in Sino-Japanese relations. If Japan should present unacceptable demands, they would never be recognized by the Chinese people even if they were accepted by the Government. The notorious Twenty One Demands Gen. Chang pointed out, are an example.

Dr. C. T. Wang, newly appointed Chinese Ambassador to America in succession to Dr. Alfred Sze, returned to Shanghai from Europe Oct. 3 aboard the s.s. *Conte Russo* at the head of China's athletic delegation to recent World Olympia at Berlin. In the course of an interview granted to local press representatives upon his arrival, Dr. Wang declared that judging from the present situation in China and the world at large, self-reliance and national

solidarity are the only way out for China if she cares to save herself from the present crisis. "At present", he said,' 'we can not depend upon the help of other Powers which are also engrossed with their own problems. The present trouble in Spain has created a general unrest in whole Europe." The League of Nations, in the opinion of the veteran diplomat, is not dependable. Despite its recent reorganization, it is still ineffective as an organ to solve international disputes.

That Sino-Japanese relations have now reached to most critical stage needs no denial, declared Dr. Wang Chung-hui, former judge of the Permanent Court of International Justice, at a press reception at his private residence at Shanghai Oct. 3. The present tense situation, Dr. Wang said, is fraught with gravest consequences, as it would decide the destiny of China and affect the peace of the Far East. However, in the opinion of the noted jurist, the situation is not altogether hopeless, unless China and Japan are really sincere their efforts to bring about a peaceful solution through diplomatic in means. By such a step, he said, a temporary peace is at least attainable, even if it fails to achieve a fundamental solution of all the pending questions between the two countries. Referring to the insistence of the Japanese Government on direct negotiations with General Chiang Kai-shek, the world famous jurist commented that there has been, to his knowledge, no such precedent in international relations. In any other countries, diplomatic negotiations are conducted by their foreign ministers whose powers may slightly differ from each other due to the differences in their political systems. Referring to the proposed Sino-Japanese economic cooperation, Dr. Wang said: "This is nothing new. France has concluded more than a hundred tariff agreements with other Powers, but all of them are based on equality and reciprocity." He however refused to discuss this question in particular, explaining that the Japanese Government has not yet presented any concrete plans in this regard.

GEN. SUNG HOPES WAR WILL BE AVERTED

Although the diplomatic relations between China and Japan have now reached a critical stage, Gen. Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Council, expressed the hope that the racial similarity of the two nations will be able to avert an open war, reported *Central News* Oct. 5. Interviewed by press representatives, Gen. Sung said being brother nations in the Far East, China and Japan should settle their disputes through no other than peaceful means. If both countries approach the issues in a spirit of sincerity, he believed, all misunderstanding between them should be cleared up in no time. Gen. Sung said while in Tientsin he had several meetings with Gen. Tashiro and views were freely exchanged concerning outstanding Sino-Japanese issues in North China. In all these meetings, he was glad to say, both sides had been frank and sincere in their attitude. Concerning the proposed Sino-Japanese economic co-operation in North China, Gen. Sung said he is willing to see such a programme carried out if it is based on absolute equality and reciprocity and is beneficial to both parties.

Sino-Japanese co-operation in developing air communications in North China, exploitation of the Lungyen iron mines, and construction of the Tsangchow-Shihchiachwang railway are learned to be among the questions brought up for discussion recently between Gen. Sung Cheh-yuan and Gen. Tashiro at Tientsin.

According to Japanese suggestion, two thirds of the capital for the development of airlines were to be raised by the Chinese authorities while the remaining one-third by Japanese quarters. No concrete results were stated to have been obtained in the discussions due to the fact that Gen. Sung Cheh-yuan was said to have announced that Japanese investments were welcome but the idea of Sino-Japanese joint concerns was unacceptable.

The scope of the proposed Sino-Japanese economic cooperation in North China is rather large. It includes the plans for the construction of new railways and highways and agricultural development. Thus declared T. Horiuchi, Japanese Consul-General at Tientsin in an interview Oct. 6. Pointing out that Japan spends considerable sum of money in purchasing raw cotton from the United States, Egypt and India, the Japanese consular official suggested that North China should get $200,000,000 of business from Japanese mills annually. With the money China receives from selling her raw cotton, he added, she can spend on Japanese manufactured goods thus benefiting both countries. Mr. Horiuchi further told his interviewers that cooperation was also necessary in the development of railway and mining projects in the North.

"MANCHUKUO" TROOPS PREPARED FOR ATTACK ON CHAHAR-SUIYUAN BORDER

Large quantities of modern war weapons, including tanks, armored cars, machine-guns and rifles have arrived at Chapussu from Jehol, and they have been distributed among the soldiers under the "Manchukuo" commander, Li Shou-hsin and bandit leader Wang Ying, according to *Central News*. With the arrival of fresh military supplies and reinforcements important developments are expected to take place on the Chahar-Suiyuan border in the near future. Meanwhile, precautionary measures have been taken by the Suiyuan authorities for the defence of eastern Suiyuan. In addition to the reinforcing of defense forces at Taolin and Fenghsien a heavy detachment of Suiyuan troops have been dispatched to Tachingshai to prevent possible attack on western Suiyuan by the irregulars under Wang Ying. The defense in western Suiyuan has also been strengthened by the reclamation corps under Major Wang Ching-kuo.

As a result of protests from the Suiyuan Provincial Government the Japanese authorities have stopped construction of an airdrome in Paotou. Gen. Fu Tso-yi, Governor of Suiyuan, and Gen. Wang Ching-kuo, divisional commander, will proceed to Taiyuan shortly to see Gen. Yen Hsi-shan, Pacification Commissioner of Shansi.

Construction of an airdrome in Shangtu, North Chahar, has been completed by the Japanese. A regular airline is now being operated by the Japanese between Shangtu and Dolonor, reported *Shun Pao* Oct. 5.

Wang Ying, the bandit leader of Northern Chahar, who is planning to launch an attack against East Suiyuan, visited Col. Tanaka, chief-of-staff of the Kwantung Army in Tientsin on Sept. 16.

As a result of the visit, the bandit chief brought back with him $60,000 for the organization of his bandits.

General Fu Tso-yi, Chairman of the Suiyuan Provincial Government and concurrently Commander of the 35th Army, motored to Holin and Liangcheng, south-eastern Suiyuan, Oct. 3 to inspect the local civil administration and defence works.

According to a report in *China Evening News* Sept. 30, the Japanese military have built airdromes and radio stations in Tingyuan, to the northeast of Ninghsia, and at Kechilar. There are also offices of the Japanese Special Service Department in these two places. In Tingyuan, there are about 60 Japanese residents. In Hongshakou, 200 li north of Tingyuan, a large Japanese airdrome has been built, and 14 airplanes were flown there on Sept. 22 from Jehol.

INTERNAL DISCORD IN BOGUS EAST HOPEI REGIME

Ill-feeling between Yin Ju-keng, head of the bogus East Hopei regime, and Shih Chung-mei, former secretary-general of the regime, has become greatly aggravated. It is reported that a number of persons have been assassinated in Tungchow lately and that Chao Lay, commander of the Peace Preservation Corps in Tangshan, has been discharged by Yin. The Japanese military authorities are paying special attention to these developments.

Yin Ju-keng, head of the puppet regime in Eastern Hopei, arrived at Tientsin Oct. 4 in company with his Japanese advisor. Yin will call on Tashiro, Commander of the Japanese Garrison in Tientsin, expressing his gratitude for the Japanese assistance in suppressing the revolt staged by the Pao An Tui in Eastern Hopei.

CHENHSIEN SEIGE LIFTED FOLLOWING SEVERE BATTLE

A sanguinary battle between Government forces and red bandits in southern Kansu was fought for 36 hours from Sept. 29 to 30 in the vicinity of Chenhsien, resulting in the lift of the seige on Chenhsien and the killing of more than one thousand marauders, according to *Central News*. During the encounter the Government troops charged numerous times and engaged the bandits in grim hand to hand fight. Among the over 1,000 outlaws killed in action were included Ho Ping-yung, one of the bogus divisional commanders, and several bogus high staff officers.

Paihsiukiang, a bandit stronghold in southwestern Shensi, was retaken by government troops on the night of Sept. 27, according to a report received at Sian Oct. 2.

Fenghsien, which was beseiged by the Communists under command of Hsiao Ke since Sept. 20, has been cleared of Communists, reported *Ta Kung Pao* Oct. 1. The Government troops beseiged within the city, were saved by the arrival of reinforcements.

Another notorious bandit chieftain, Fang Ta-ching, hitherto active in Northern Shensi who is alleged to be responsible for the murder of the district magistrate of Yungshouhsien, has been captured and executed by government troops near Yungshou, according to *Central News*. Meantime, military messages revealed that government forces are gradually advancing toward the Shansi-Kansu border, stronghold of the bandit remnants.

According to *Shanghai Mainichi* Oct. 2, six divisions of Central Government troops passed through Chengchow, Honan, recently, proceeding north. Their destination is not known.

For the loss of the walled cities of Lintan and Changhsien, southern Kansu, and desertion of duty, Kung Chin and Kao Yu-men, district magistrates of Lintan and Changhsien, are ordered to be dismissed and arrested and punished. A decision to this effect was reached at the meeting of the Kansu Provincial Government on Sept. 30. It was also decided to dismiss Chao Pei-chih and Wang Cheng-kuei, district magistrates of Weiyuan and Tungwei, southern Kansu, on account of the loss of their respective cities. They are ordered meanwhile to remain in office and await investigation and punishment.

For the loss of their cities, four additional district magistrates of Kansu have been dismissed by the Kansu Provincial Government but are ordered to remain on duty temporarily, pending investigation and punishment. They are Chu Chih-ho, magistrate of Liangtang district, Wang Chao, magistrate of Kanghsien, Chen Hsueh-chien, magistrate of Nancheng, and Chao Pao-chen, magistrate of Hweihsien, all in southeastern Kansu. The cities were occupied recently by the "Reds" under Hsiao Ko, Ho Lung and Lo Ping-hui.

Moscow Watches Japan's Moves in Suiyuan and Inner-Mongolia

(This is a translation of an article recently published in Moscow Pravda dealing with Japan's present activities in Suiyuan and Inner-Mongolia.)

THE intrusion of troops under Li-Shou-hsin, Japanese agent, into the eastern part of Suiyuan province, the transference of another Japanese agents' (Chang Hai-peng) troops in the same direction and the simultaneous transference of purely Japanese troops into the North Chahar and Kalgan region creates a new stage in the Japanese occupation of North China and Inner-Mongolia.

The object of this aggression is not only further encroachment upon the Chinese territories, but also paving the way for a "big war" against the USSR. The nearest task of the Japanese agression at its present stage, the fulfillment of which has been entrusted to Li Shou-hsin and Chang Hai-peng, is the surrounding of the Mongol People's Republic.

The eastern and southern boundaries of the Mongolian Peoples Republic border upon a territory which ethnographically is usually termed Inner-Mongolia. This territory is of a mixed international population. Nomadic cattle-rearing Mongol tribes live there side by side with the sedentary agricultural and urban Chinese population. The policy of the Japanese military clique there for a long time has been to incite these nations against each other, to secure the support of Mongol princes under the guise of "Pan-Mongolism" slogans and to bribe and fully subjugate semi-feudal Chinese generals under the pretence of creating the "North China Autonomous Provinces,"—in fact, to establish Japanese power therein.

Since the establishment of Manchukuo this policy has been carried on unyieldingly, systematically and with characteristeric cruelty.

An important practical step towards accomplishing this policy was the allotment in March 1933 in the eastern part of Manchukuo of a territory, spreading over an area of 300 thousand sq. klms., from which the new Hingan province was formed, divided into four regions governed by important Mongol feudal princes. In this territory the Japanese reestablished the ancient Mongol system of administration, with the support of princes-heads of Mongol tribes, destined to represent the "National Autonomy of Mongols within the boundaries of Manchukuo."

How illusive, however, is this "autonomy" is manifested by the fact that when the Mongol princes of the largest of these four regions (Barga) ventured to object very shyly against a compulsory recruitment of Mongols for Manchukuo troops, encroachment upon Mongol pastures by Japanese land-profiteers, etc., the leaders of this "Mongol Government" were immediately seized by the Japanese warlords and shot in April 1936. A communique, issued by the staff of the Kwantung army, notified the world of the "discovery of a plot among high officials of the Mongol administration of North Hingan Province," the aim of which was to separate the area from Manchukuo and join it to the Outer-Mongolian People's Republic.

The result of Japan's "national policy" in relation to Mongols in the territory of Manchukuo inevitably was to hamper the penetration of Japanese influence into Inner Mongolia. Japanese agents for a long time had been engaged in active work with the purpose of separating Inner Mongolia from China and annexing it to Manchukuo or creating am "independent Mongol state." As a result of this "work" a conference of Mongol princes of Chahar and Suiyuan took place in June 1933, which demanded from the Nanking Government the granting of the "autonomy of the highest level" to Inner Mongolia and established in Bate-Halha a Government, headed by a Japanese agent—Prince De Van.

All attempts of Nanking ministers to "persuade" De Van and others proved futile. In 1934 and 1935 the Japanese, supported by Prince Teh, intensified their activities in the matter of "familitarization" with Inner Mongolia; Japanese military instructors and advisors appeared with all Mongol princes; airdromes and stocks of fuel as well as stores of ammunition were being prepared, and numerous clashes between the defense forces of Mongol princes and Chinese generals' troops were being incited. The problem of the separation of Inner Mongolia from China was brought into the limelight after the Japanese military clique had secured control over the Tientsin-Peiping-Kalgan region in 1935. Prince Teh was entrusted with a mission to summon a new conference of Mongol princes in Bate-Halha and officially proclaim the "independence" of Inner Mongolia. The solution of the problem of surrounding the Mongol People's Republic was thus regarded as an event of the nearest future.

But suddenly serious obstacles appeared. That which Nanking Ministers failed to achieve by their persuasions was done by the Japanese themselves. In the course of two years of "work" in Chahar and Siuyuan they exercised so much pressure upon Mongol princes that the latter began to realize that their consent to the declaration of " independence" of Inner Mongolia would bring them down to complete dependence upon Japanese generals. The "sobering down" of a part to the princes of Inner Mongolia was due, first of all, to the execution by the Japanese of the leaders of Mongol "autonomy" in Barga and secondly, to the triumphant rebuff by the revolutionary people's army of the M.P.R. to Japanese raids on their boundaries.

This rebuff proved to many Mongol princes that their ideas of the invincibility of the Japanese army were wrong.

Inner-Mongolia, where the Japanese warlords are planning their next important campaign. For many months a mixed force of Japanese, Mongols and renegade Chinese troops has been drilling at Changpei, north of Kalgan in Chahar province, in preparation for a drive westward into Suiyuan and Ninghsia and possibly still further west. The Japanese military officers claim the object of this drive is to eliminate "red" influence.

To these circumstances is due the fact that Prince Teh failed, in spite of his strenuous efforts, to persuade Mongol princes to gather in Bato-Halha for the declaration of "independence" of Inner Mongolia. Having felt that he was left alone, Prince Teh fled to the Japanese in Zapsir.

The Bate-Halhin Government actually went to pieces; half of their army rebelled and departed to the west, where—farther from the Japanese neighborhood—in Huihua—the princes established their own political centre in opposition to Prince Teh. This centre was authorized by the Nanking Government to stand at the head of all Mongol "Banners" in Suiyuan province. Thus two competing centres were formed—one in Zapsir, closely connected with the Japanese, but deprived of any influence upon the Monogol masses—and another in Huihua, orientated upon the cooperation with the Nanking Government and Chinese General Fu-Tso-yui, the head of Suiyuan Province. The influence of the last centre is increased due to the fact that the masses at large regard it as anti-Japanese, in spite of its unsteady and halfway attitude.

The Japanese Military Commandant evidently could foresee the possibility of such reversal of policy and, therefore, when securing the support of Prince Teh, they double-insured themselves by creating one more power as an instrument of their aggressive policy in Inner Mongolia. We mean the notorious

In the left hand lower corner of the above map the meaning of the identification marks is given. The three in the first line translate as follows, in the order named: Fu Tso-yi's troops; Japan's troops; De Van's troops. Those in the second line are: Chan Hai-ping's troops; Li Shou-hsin's troops. Kalgan is located near the center of the map.

Japanese agent, Li Shou-hsin. This bandit general long ago gained his piteous fame by his "great deeds" in Jehol and the "demilitarized zone" of North China, specializing in organizing "riots," paid for by the Japanese. In the middle of 1935 his troops, armed by the Japanese, were sent into North Chahar and then a "Mongol corps," headed by a petty prince Chaotibachab was attached to them. Simultaneously one more "Mongol Government" was established off-hand in Chagbei, which declared the intention to "stand at the head of all Mongol tribes in Chahar and five regions of East Suiyuan."

But while the Japanese commandment entertained the hope to come to an agreement with the Suiyuan princes, Li Shou-hsin was kept in the shade; but he acted slowly and carefully. The collapse of the Bate-Halnin Government and the rebellion of their troops precipitated, however, the *denouement*. The Japanese military clique took off their masks and openly sent Li-Shou-hsin, giving him the support of Manchokuo troops under the command of Chan-Hai-ping and their Japanese detachments—to encroach upon Suiyuan province. Simultaneously they sent troops to Kalgan in order to strengthen the Japanese military-political control over the Peiping-Kalgan railway and not to allow any help to General Fu Tso-yi and a Mongol centre on Huihua, connected with him—which at present are defending Siuyuan province from Japanese invasion

Chahar having already been "swallowed up" by the Japanese clique, the result of the present fight will be, first of all, to affect the fate of Suiyuan province.

Northeastern University in Sian Opened by Gen. Chang Hsueh-liang

The opening ceremony of the Northeastern University was held in the University auditorium in Sian Sept. 30 with Gen. Chang Hsueh-liang, Commander-in-Chief of the bandit suppression force for the Northwest and concurrently president of the University, Shao Li-tze, Governor of Shensi, and Chow Hsueh-chang, Shensi Education Commissioner, as guests of honor.

Loan Services to College Graduates Approved

A set of regulations governing loan facilities to college graduates interested in developing light industries has been approved both by the Ministry of Industry and the National Economic Council.

Boxer Fund Board to Send More Students to England

At the forty-first meeting of the British Boxer Indemnity Refund Board in Nanking Oct. 5 it was decided to send 29 students to England to pursue higher studies this year.

Chinese Students' Movement Lauded by "Kuo Wen Weekly"

Making a brief survey of the recent Chinese students movement, *Kuo Wen Weekly* Sept. 28 commented: "The Chinese student movement, which started in December of last year, is, indeed, worthy of attention. It is a spiritual national defence, which is built up purely by our nationals."

Discussing the United Front Movement among the Chinese youths, an article, appearing in the *Tung Shuh Wen Hua* (Common Culture), Sept. 15, commented: "Chinese youths are the main cadres of the United Front Movement for National Salvation in China, and even the leaders and organizers of the movement. Their incessant struggle against oppressing influences has taught them many good lessons. Finally they find their mission; that is, to concentrate the forces of Chinese youths of all classes in the formation of an invincible line, and to participate in the general United Front Movement for the purpose of reaching the last goal of success.

The Shanghai Bureaus of Education and Social Welfare have been amalgamated into one administration organ, detailed measures to this effect having been approved by the City Government, according to Pan Kung-chan, the new head of the merged administration.

Dr. Chow Lou Stresses Philosophy of Humanitarianism in Heidelberg Address

Dr. Chow Lou, Chancellor of Sun Yat-sen University at Canton, in an address before the International University Conference at Heidelberg (Germany) recently suggested the replacement of the philosophy of struggle in the world to-day by the philosophy of humanitarism. He said it is the duty of a university is not only to provide knowledge and talent but to contribute to the welfare of mankind. If the university is to impart only light and truth, it will furnish the scientific knowledge to sharpen the weapons of aggression and exploitation. No blame, he said, should be attached to science or to the university. The fault lies in the failure to improve the basis of philosophical thought, which drives the people towards the path of war.

Chinese Railway Managing Directors Will Hold Conference in Nanking Oct. 15

A conference of the Managing-Directors of the various government railways has been summoned by the Ministry of Railways to be held in Nanking on Oct. 15, according to Ke Kwang-ting, Managing-Director of the Kiaotsi Railway. With regard to the question of the redemption of the Kiaotsi (Kiaochow-Tsinan) Railway, under Japanese control, Mr. Ke stated that the sinking fund of the railway administration for said purpose would reach over $10 million by January, 1938, the redemption date, and that the balance would be appropriated by the Ministry of Railways.

New Railway Linking Honan and Anhwei Planned

The Honan Provincial Government has formulated plans for the construction of a railroad to link up Hsinyang on the Peiping-Hankow line with Yehchiachi on the Honan-Anhwei border. The projected line will measure 260 kilometers.

Chengtu-Chungking Railway Plan Slightly Changed

In order to avoid difficult construction work near the Gorges in the upper reaches of the Yangtze River, the Szechuen authorities have decided to change slightly the course of the Chengtu-Chungking Railway as originally planned.

Construction of Ningpo Railway Extension Awaits End of Rice Harvest

The preliminary survey for the uncompleted section of the Shanghai, Hangchow and Ningpo Railway is finished. The Shaoshing correspondent of the *N.C.D. News* states that those responsible for the earthwork on which the rails are to be laid are awaiting the rice harvest before starting, as about 10,000 mow of land will be involved; the farmers quite reasonably petitioned for this delay which was granted, so the roadbed is to be begun from four points on November 21.

Szechwan to Use Conscript Labor to Build Highways

In order to complete the Szechwan highway network, the Generalissimo's Provisional Headquarters at Chungking has ordered the various districts to recruit more conscript laborers to construct the Szechwan-Hupeh and the Szechwan-Hunan highways.

Construction of the roadbed of the Hohsien-Hanshan-Chaohsien section of the Nanking-Shensi National Highway was completed Sept. 28 with the help of a hundred thousand laborers enlisted by the three District Governments.

Hanchung-Ningchiang Highway to Be Placed Under Northwest Highways Bureau

The new Hanchung-Ningchiang Highway, 140 kilometers in distance, just completed, will be placed under the administration of the Northwest Highways Bureau. The highway is 140 kilometers long and has been financed by the National Economic Council.

Japan's Trade Challenge

BY WILLIAM HENRY CHAMBERLIN

(in Current History for September)

THE recent action of the United States Government in raising by forty-two percent the duty on Japanese textiles is only one of many countermeasures which have been taken all over the world against the amazing sweep of "Made-in-Japan" products. America's action, to be sure, was motivated more by fears for the future and by the supposedly depressing effect of even a small quantity of Japanese goods on the price level than by any large inflow of competing textiles. The imported Japanese textiles represented only about half of one percent of the American domestic production.

At the same time, the forward sweep of Japanese textiles on the markets of the world during recent years has been amazing. Osaka, rather than Manchester, has become the leading center of the textile export trade. For three successive years Japan has sold more cotton cloth abroad than any other country. The record exports of 1935 amounted to 2,715,000,000 square yards, as against the 1,946,000,000 square yards of Great Britain, Japan's chief competitor.

Still more spectacular has been the growth of the rayon industry, much of which is centered around historic and picturesque Lake Biwa, in the vicinity of the old capital, Kyoto. Japan's rayon output in 1927 was ten and a half million pounds, ranking below that of America, Great Britain, Germany, France, and Italy. By 1935 Japan was running the United States a close second in the race for rayon leadership, producing 224,000,000 pounds, as against America's 256,700,000.

Japan's successes in the export field have been especially striking in Asia and Africa, where the vast majority of people must have cheap manufactured goods or go without. During a recent visit to Osaka I found a number of price lists which indicated that in a world of free trade Japan would most probably achieve still greater triumphs in export trade than have actually fallen to her lot. A hosiery company was selling yellow undershirts, destined for the Philippines, India, and Africa at 6.50 yen per dozen. This works out at about two dollars, as the yen is worth between twenty-nine and thirty cents. Sports shirts, made for Northern Europe, were 6.27 yen per dozen and wool shirts, for America, 14.50 yen per dozen. It is estimated that Japan is able to sell its textiles abroad at an average price of eighteen sen (a little over five cents) per square yard, as against thirty-four sen for British textiles. Japanese rayon goods have been selling in Australia as low as ninepence a yard, whereas British rayon costs about two shillings a yard.

Mills Have No Unions

During my visit to Osaka, Kyoto, and a number of smaller towns in that part of Japan, I visited mills, talked with industrialists, engineers, and commercial experts and tried to get a firsthand view of the causes which make it possible for Japan to undersell the world in such spectacular fashion in many lines of export trade, notably in textiles. It has often been said that the rapid growth of Japan's population may be attributed to the combination of an oriental birthrate with an occidental deathrate. The expansion of Japan's foreign trade may be set down, first of all, to an equally significant combination: an Eastern standard of living with a Western standard of industrial efficiency.

The visitor to one of the large Osaka spinning or weaving mills, or to one of the numerous silk filatures which are scattered through the smaller towns of the southwestern part of Japan's main island, is quick to recognize another factor which has strengthened Japan's competitive position in world trade. This is the successful adaptation of the traditional patriarchal Japanese family spirit to big industrial plants employing thousands of operatives. There are no unions, not even company unions, in the Japanese textile mills. As a personnel manager in the Kanegafuchi works in Osaka remarked to me:

"We don't need any trade union. We are simply one large family, working for the good of the enterprise."

Working Conditions

The absence of trade unions does not mean that the Japanese mill worker is deliberately exploited or poorly treated. On the contrary, the typical Japanese factory manager is proud, in many cases quite justly so, of the arrangements for health, recreation, and education which are provided in the plant. Both the Kanegafuchi and the Toyo mills, which I was able to inspect personally in Osaka, were spick-and-span in outward appearance, with rows of trees planted on the factory grounds and a refreshing absence of the squalor that sometimes characterizes a poorly managed factory in other countries.

The dormitories in which the operatives live on the factory grounds would not have satisfied the needs of Western workers, with their almost complete absence of furniture and the futons or mattresses spread on the floor on which to sleep, but they were quite in line with Japanese living habits. It is safe to say that the peasant girl who goes to work in a large factory has more comfortable quarters and better food, provided in the company dining hall, than she would enjoy at home. Classes in a number of subjects, including the favored Japanese woman's art of flower arrangement, are held in free time. The Kanegafuchi mill, where there were more men workers, had excellent athletic equipment, a baseball field, tennis courts, and a swimming pool. The Toyo mill trained its girl workers not only in flower arrangement, but also in another well-known Japanese social grace—tea-ceremony.

All this speaks for the effort of Japanese factory paternalism to be benevolent, and there can be no question of the paternalistic nature of the system. The girls between the ages of fifteen and twenty-two who tend most of the looms and spindles are recruited from peasant families, as it is believed they will be stronger and more docile. The personnel manager in the Kanegafuchi mill told me that the city flapper type was not desired.

Hours and Wages

Working hours in the larger Japanese mills have been gradually reduced to eight and a half. But the work is intensive, and in matters where the trade union often exerts a limiting influence on the employer in other countries, in questions of wages, speed-up methods, and working conditions, the manager's word in Japan is law. The money wage paid in Japanese mills is very low, even if one makes a very liberal allowance for the cash value of the food and housing which are supplied free or at a nominal charge. It averages in the entire textile industry about seventy-five sen a day for women and girls and about 1.35 or 1.40 yen for men, who usually perform more skilled labor. Even if one reckons the food, lodging, free medical and dental treatment, and other things which are given free, or for a small charge of perhaps fifteen sen a day, as worth another seventy-five sen, the girl operative earns the equivalent of less than fifty cents for a day's work, which is quite as productive as that of a girl in a Lancashire or New England mill town.

So long as Japan's population continues to increase faster than new jobs or opportunities for migration are opened up, it seems inevitable that the prevailing wage level should be low. The textile mills can count on an inexhaustible reserve of girl workers who can be recruited from peasant homes where their extra earnings are a valuable aid to the family budget, put through a course of training as apprentices, and then set to work for several years at the spindle or the loom.

Ever since 1929 there has been a downward trend in wages in the Japanese textile industry, while at the same time there has been a growth in efficiency, in output per operative. More work can be done with fewer laborers. For instance, it took 56.2 male workers to operate 10,000 spindles in 1929. In 1935 only 22.5 operatives were needed for the same number of spindles. In the case of women, the number required to tend 10,000 spindles declined from 206 to 160.2 during the same period. The number of male workers per hundred looms during the same time diminished from 12.5 to 5.8, and the number of women, from 50.2 to 37.5. At the same time the average daily wage for men workers in the cotton industry was reduced from 1.59 yen to 1.34 yen, while for women the decrease was from 1.14 yen to 73 sen. The daily wage expenditure per 10,000 spindles was reduced more than fifty percent, from 323.90 yen to 147.57 yen.

From the standpoint of social well-being, these figures, perhaps, offer no cause for rejoicing. They indicate that textile operatives are being obliged to do more work for less pay. They explain why the big annual gains in industrial production which Japan has been registering for several years have not absorbed more workers in industry. But the aid to the position of the Japanese exporter in relation to his foreign competitor is unmistakable, especially if one considers that the yen has depreciated in exchange value more than the pound or the dollar.

Salaries, as well as wgaes, are substantially lower in Japan than in Western Europe or America; so there is a saving in payments, not only to the laborer, but to the factory manager, the engineer, and the salesman.

A lower scale of wages and salaries, made possible by Japan's special traditions and habits in such matters as food, clothing, and housing, is an important cause, but by no means the sole cause of the country's spectacular advance in export trade. Many oriental countries have lower standards of living than Japan's without seriously invading foreign markets with their manufactured goods. An important point to bear in mind is that Japan is far ahead of any Eastern land in industrial and engineering efficiency. Its factories, its railways, and its steamship lines function as smoothly as those of Western Europe or America. In many ways the organization of its textile industry compares favorably with that of Great Britain or the United States.

Industrial Advances

The time has long passed when Japan was going to school, industrially, in foreign countries. In going through a Japanese textile mill one notices that the machinery of some twenty years vintage is of British or American make. But practically all the newer machines bear the stamp of Japanese firms. Japan is especially proud of its Toyoda automatic loom, thirty or forty of which can be operated by a single worker. True, these looms are used mostly in weaving the coarser kinds of cloth; but it is just these coarser and cheaper grades of cloth with which Japan is able to conquer the Asiatic markets, where she has the further advantage of geographical nearness.

Japan enjoys several advantages over England in regard to the structure of its textile industry. The units of operation are

fewer and larger. The concentration of production in the cotton yarn-spinning industry is evident from the fact that more than sixty percent of the spindles are owned by ten large companies. Moreover, a Japanese cotton mill is usually engaged not only in spinning, but also in weaving and finishing, whereas a division of functions is much more common in England.

The weaker Japanese companies were more ruthlessly weeded out during the depression; the stronger ones set aside ample reserves, instead of paying out all their profits in dividends. Consequently the financial position of the Japanese textile industry is strong; it is free from the heavy burden of debt and interest charges which clogs the progress of many of the British textile firms.

Cooperation

While Japan's leading textile firms are keen competitors and guard their trade secrets jealously, they have demonstrated unusual capacity for joint action on behalf of common interests. The Japan Cotton Spinners' Association, which controls about 97% of the total number of spindles in the country, exercises supervisory functions over production, dealings in raw material, sales of manufactured articles, and employment. The existence of such a strong central body eases the working of the quota systems which have been applied to Japanese exports in many countries. The Cotton Spinners' Association endeavors to adjust production to consumption by sealing up a proportionate number of the spindles belonging to its member firms, so that supply will not outrun demand too far.

The Cotton Spinners' Association promotes the development of Japanese foreign trade by raising a special fund from a levy on the profits of its members for the purpose of subsidizing imports from countries which demand that Japan should take more of their goods if they are to admit more Japanese wares. While labor in the Japanese textile industry is unorganized, capital is highly organized; and one provision of the regulations of the Cotton Spinners' Association states that "no worker can be taken on, while he or she is in the service of another employer, without the permission of that employer."

The depreciation of the yen is sometimes regarded as a main factor in Japan's remarkable foreign trade expansion. The abandonment of the gold standard and the subsequent decline in the exchange value of the currency unquestionably stimulated Japanese industry and trade, just as Great Britain's recovery from the low point of the depression may be dated from the severing of the pound's link with gold, while American production and profits began to rise after the devaluation of the dollar. But there are disadvantages as well as advantages for the Japanese textile industry in the depreciation of the yen. While finished products may be sold more cheaply in foreign markets, imported raw material (and Japan imports all its cotton, much the largest part of it from the United States and British India) becomes more expensive. The depreciation of the yen seems to have been rather a temporary stimulus than a permanent factor in promoting Japan's advance on foreign markets.

The permanent factors in Japan's foreign trade success would seem to be: the lower standard of living, with the consequent lower wage cost; the noteworthy progress of the country in science, invention, and applied mechanical skill; and the high degree of coordination in foreign trade methods. The far-reaching interests of such big combinations of capital as Mitsui, Mitsubishi, Yasuda, and Sumitomo facilitate close cooperation among muanfacturer, banker, exporter, and shipper. Japanese export goods are usually shipped in Japanese vessels and often retailed by Japanese merchants in the lands to which they are sent.

Economic Barriers

In a world governed by the freetrade Manchester economics of the last century, Japan would have gone much farther in foreign trade. But it is the bad fortune of the Island Empire that it has come of age industrially at a time when economic theory and, still more, economic practice, has drifted far away from the ideals of Bright and Cobden. The advance of Japanese textiles has been increasingly slowed up, and this year seems likely to turn into a retreat as a result of a barrage of quota restrictions, discriminatory tariffs and other measures designed to curtail the inflow of cheap Japanese goods.

Last May, after negotiations looking to a voluntary restriction of Japanese textile imports had failed, President Roosevelt imposed an increase of forty-two percent in the tariff on Japanese cotton cloth. About the same time, Australia introduced a sharply increased rate of duty on non-British goods. Japanese exporters of rayon and cotton goods described these duties as prohibitive. As a reprisal the Japanese Government, invoking its Trade Protection Act, has instituted a regime of severe control of purchases from Australia, aiming at the complete elimination of Australian wheat and a maximum reduction in imports of Australian wool.

Familiar Forms of Restriction

The two most familiar forms of restriction on Japanese goods are especially high tariffs (sometimes based on the principle of alleged compensation for Japan's depreciated currency), and quota systems. Japan is sometimes able to surmount very high tariff walls. But quotas represent an almost impassable barrier. The difference in price between cheap Japanese goods and more expensive competitive products may sometimes encourage smuggling; but it is only in North China, where Chinese administrative power is paralyzed, that this can greatly augment the flow of Japanese goods.

There are three main causes of the restrictions so generally applied to Japanese wares. First is the desire to protect domestic producers, as in the case of the recent American tariff increase. Superior economic obligations to another state constitute another cause; Australia, for instance, has much closer financial and economic ties with Great Britain than with Japan and considered it desirable to give British goods a certain degree of preference. Finally, many countries, especially in Central and Eastern Europe and in South America, have become involved in currency difficulties which they have endeavored to meet by imposing more or less stringent restrictions on the purchase of foreign exchange. Such countries are unwilling to buy from any foreign nation much more than they are able to sell to it; and, as Japan is often unable to absorb, for example, the special South American products, the advance of its goods in these lands is hampered.

The rising trade barriers all over the world have supplied a ready argument to advocates of nationalist economics in Japan, who contend that no market is safe unless it is under Japanese political control. It is, however, quite impossible for Japan to go over to a purely self-centered nationalist economy, because the Empire and the countries which it more or less directly controls, such as Manchukuo and North China, are lacking in too many essential commodities. The indications are that, without neglecting the possibilities of Manchukuo and North China, Japan will endeavor to defend its world trade by concluding semi-batter commercial agreements, wherever possible, and by inflicting reprisals.

It would seem to be a reasonable economic policy for America and for other countries which sense the challenge to balance the advantages of Japan as a customer against the disadvantages of that nation as a competitor. Under normal conditions Japan is a large and regular buyer of Australian wool and American cotton. It is deliberately planning to cut down its purchases of the former commodity, substituting, so far as possible, staple fiber and wool from other countries. American restrictions on Japanese imports may, in time, lead to a similar effort to find substitutes for American cotton; indeed Japanese agents have already been industriously exploring the cotton-growing possibilities of North China and Siam, Brazil, and Peru, although the United States and British India still supply about ninety percent of the cotton used in Japanese mills.

"Hall for Encouragement of Chastity" Condemned in New Life Report

The existence in Hankow of a charity institution called the "Hall for the Encouragement of Chastity" (Shou Chi Tang), wherein 680 widows are now confined all year round features a report recently released by the National Association for the Promotion of the New Life Movement among Women. The gate of the hall, stated the report, segregates the 680 aged female inmates from the world. Among them, there is a 60-year old widow, who, entering the institution toward the end of the Ching Dynasty, has during the last 30 years, been robbed of her friends, relatives and family.

Characterizing the hall as a "hell on earth" and the inmates as virtual prisoners serving life sentences, the report advocated its immediate abolition in the name of humanity.

The report was made by Miss Kwan Mei-yung, executive-secretary of the National Association for the Promotion of the New Life Movement among Women, who recently made a tour to various leading cities along the Yangtsze River, upon the instructions of Mme. Chiang Kai-shek. Miss Kwan found that the belief in chastity as a virtue still dominates the thoughts of the Chinese women in Central China. She also discovered that the evil of prostitution has shown no sign of abatement in that area.

Medical Organizations Ask That Dr. J. Heng Liu Be Exonerated

Many medical and public health organizations, including the Chinese Medical Association, the Nurse Association of China, and the Anti-Tuberculosis Association, recently sent a joint petition to the Executive Yuan, asking that the embezzlement case against Dr. J. Heng Liu, Director of the National Health Administration, be lifted from the court. Dr. Liu's achievements in numerous public health projects in this country which won him a world-wide fame were cited in the appeal. The petition claimed that all the expense items originally arrayed against Dr. Liu have been accounted for as expenses incurred by the National Health Administration.

Chinese Officers Inspect Japanese Military Schools

Lieut.-Col. Chao Chi-ho, instructor at the Nanking Infantry School, at the head of 12 Chinese officers is making a tour of inspection of military schools in Japan. During the one-month sojourn the officers will inspect the Infantry School at Chiba, the Military Training School at Toyohashi, the Military Cadet School and the Military Academy in Tokyo.

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Pan-American Trans-Pacific Passenger Flight to Start Oct. 21

Pan-American Airways Oct. 1 announced that the fare for passenger service between San Francisco and Manila had been fixed at U.S.$799, round-trip U.S.$1,438.20; for intermediate points in proportion. The first passenger flight will take off from San Francisco on Oct. 21, with the return flight leaving Manila on Oct. 29. Tickets for the initial trip were sold out several weeks in advance.

C.N.A.C. Announces Reduced Fares

The China National Aviation Corporation announces reductions in fares as follows: Hankow-Nanking, $90 for single trip, $160 for return trip; Hankow-Shanghai, $100 for single trip, $160 for return trip.

Nanking Will Celebrate Gen. Chiang's Birthday with Lantern Parade

An elaborate program has been drawn up by the Nanking City Tangpu for the celebration of the 50th Birthday Anniversary of General Chiang Kai-shek, on Oct. 29. Celebration plans include a mammoth lantern parade and fireworks on the night of Oct. 28 and a mass meeting and squadron flying exhibitions by the birthday "gift" planes on Oct. 29.

Foreign Warships Concentrate at Shanghai, Mostly from North China Ports

During the week there has been a steady increase in the number of warships anchored in the Shanghai harbor, although so far as the American vessels are concerned their arrival is a matter of usual yearly routine after the summer holidays in North China ports. The principal unit of the American fleet is the U. S. S. *Augusta*, flagship of Admiral O. G. Murphin, which came here together with the *Isabel*, a converted yacht which serves as a sort of subsidiary flagship. Other units of the American fleet, which have been summering at Tsingtao and Chefoo, are expected here next week, but most of them will probably proceed south after a short stay here. The French cruisers *Lamottee Piquet* and *Admiral Charber* also arrived here from the North during the week. The British *Cumberland* is due here from England middle of this month. The *Kent* has already arrived. The Italian Navy is represented by two vessels. Japanese war vessels are arriving and departing almost daily, some of those which were sent to Pakhoi when the excitement there was at its height having in the meantime arrived here. It is estimated that there are foreign naval forces here at the present time to a total of about 10,000 officers and men.

Two Chinese Sentenced for Murder of Japanese Warrant Officer Nakayama

Yang Wen-tao, former shipping clerk, and Yih Hai-sen (Hsiao Kwangtung), one-time cabaret manager and dancing instructor, were sentenced to the death penalty for the murder of Warrant Officer Hideo Nakayama, Japanese bluejecket, on November 9, 1935, in the First Special District Court in Shanghai Oct. 2, Judge Dzien presiding. Chow Sha-yung, cabaret manager, also accused of implication in the slaying, was found not guilty.

The courtroom was crowded with police, Japanese plainclothes men, newspaper reporters and Chinese relatives of the accused.

The *China Press* stated that one of the outstanding highlights of the session was the complete absence of Japanese naval officers and bluejackets. Since the beginning of the hearings last April, a contingent of naval observers in uniform had always been present. In the compound outside the criminal court building, a large gathering of Chinese awaited the verdict while a large group of Japanese cameramen clustered in front of the building entrance waiting for the return of the prisoners. The Japanese generally expressed themselves satisfied with the verdict.

It is to be noted, however, that although Yang and Yih have both been sentenced to death, the indications are that the sentence will not be carried into execution for some time to come. An appeal is being taken and it expected to take up considerable time, so that it may be several months yet before the Nakayama Case is finally closed.

The Japanese authorities have informed Mayor Wu Te-chen of the City Government of Greater Shanghai that they reserve their rights to discuss the case diplomatically. This is taken to indicate that the Japanese authorities will ask for an indemnity.

Following the sentencing of Yang and Yih, the hearing was opened of the case where three Kompo men, Tsang Yoong-wo, a hawker, Mau Yung-sau, printer, and Mau Yung-nyi, printer, are detained on suspicion of being involved in the latest Hongkew shooting in which another Japanese sailor, A. Taminato, was killed on the night of Sept. 23 on Haining Road.

At the conclusion of hearing, the two Maus, who are brothers, were ordered to be released by the Judge as there was insufficient evidence against either of them. In connection with the detention of Tsang Yoong-wo, three Japanese witnesses testified that they saw the hawker, immediately after the shooting, place his hands inside a nearby-sand box. One of the Japanese went over, lifted the lid, and found a pistol inside; the three cooperated in taking the hawker into custody. A further hearing was scheduled for Oct. 9.

"Japan Must Decide Whether Or Not to Shake Hands with China"

BY C. Y. W. MENG 孟長泳

"CHINA is now at momentous cross-roads: She must decide whether or not to shake hands with Japan," declared Mr. Arita, Minister of Foreign Affairs, in a lengthy statement in which he intended to make explicit to the world the Japanese attitude towards the present Sino-Japanese situation. But the 450,000,000 Chinese answer unanimously that it is not China which must now decide whether or not to shake hands with Japan, but it is Japan which must decide whether or not to shake hands with China!—in other words, whether another calamity will fall upon the Far East. Being the most peace-loving people in the world, the Chinese want nothing but "peace." But by peace, we mean an "honorable peace," as differentiated from a peace forced upon us by demanding that we accept many of the "demands"—a peace which the Chinese term a "humiliating peace," and which is not what we want. But the question is: Whether Japan would like to live together peacefully with us or not?

Both Sides Claim "Patience Lost"

But, unfortunately, recent events indicate that such "peace" is not possible. Both China and Japan have claimed that they have lost their "patience," and both of them are anxious to take action.

"I think that the limit of patience has been reached," Major-General Takayoshi Matsumuro said in discussing the present Sino-Japanese relations. In an editorial on "Peace or War," the *Hsin Min Pao*, one of the leading and most outspoken papers in the Capital, dated Septembet 29, pointed out that since the outbreak of the Mukden Incident on September 18, 1931, China "has exercised the greatest patience and forbearance, which should be sufficient to demonstrate her wish for peace and her desire to do her best to seek for preservation of friendly relations with the powers." "China has never been desirous of making any trouble for Japan; nor to go to war with Japan. But should all these efforts be exhausted, we prefer to be a jade to be broken into pieces, rather than to be a tile to be kept intact." Other editorials concluded that "patience could not be employed in present diplomacy."

The Chinese indignation was further aggravated when Mr. Arita issued a statement which the Chinese considered as the "most irritating one." In another editorial on "Turn for Better or for Worse," the same paper pointed out that in demanding the "suppression of all anti-Japanese thoughts," and "joint efforts to prevent the spread of communism," Japan showed clearly that it is not her intention to settle the situation as it arises, but rather to take every advantage of the present situation, and to make full use of the present unfortunate incidents to enlarge her "demands" upon China so as to seek a "general settlement." What Japan wants is not the settlement of these incidents but a general settlement. "Should Japan force upon China such demands for the extinction of China, we are afraid that it will be a turn for the worse," said the paper.

Chang-Kawagoe Conference—Japanese "Demands"

In a previous issue of *The Review* (Vol. 78, No. 3, Sept. 19), in dealing with the East Suiyuan Situation and Mr. Kawagoe's Activities in North China, we pointed out the many activities of the Japanese Ambassador to China in Shantung, and predicted that "But with such background of the situation and the activities of the Japanese officials in mind, we can easily see what are some of the Japanese demands to Nanking, and we can easily conclude that it would be another 'futile negotiation.'"

At the "Chang-Kawagoe Conference," General Chang Chun, Minister of Foreign Affairs, was reported to have informed the Japanese Ambassador at the very outset that if the Japanese negotiator came for a settlement of the recent incidents, he would be ready to negotiate; but he could not discuss any other Sino-Japanese problems. But Mr. Kawagoe, disregarding all these words, presented a series of "demands," as usual, before the conference, which according to reliable information, are as follows:

1.—Economic co-operation with Japan.
2.—Autonomy of 5 Northern Provinces, Hopei, Chahar, Shantung, Shansi and Suiyuan.
3.—Right to station Japanese troops in places along the Yangtsze Valley and Hainan Island.
4.—Right to examine textbooks and inspect schools to suppress anti-Japanese education.
5.—Dismissal from government service of Chen Kuo-fu, Chen Lih-fu, Feng Yu-hsiang, Sun Fo, etc.

China's "Concrete Measures"

General Chang was reported to have flatly rejected all these demands. In return the Chinese negotiator was reported to have made some counter-"concrete measures" for the readjustment of Sino-Japanese relations. According to our information, some of the "concrete measures" are as follows:

1.—The Tangku Agreement, and Ho-Umatsu Agreement shall be abrogated.
2.—The Yin Yu-keng Government in Eastern Hopei shall be abolished.
3.—The smuggling and the ronin activities in North China shall be suppressed.
4.—The Japanese troops in Fengtai Station and the surplus Japanese troops in North China shall be withdrawn.

Mr. Kawagoe was reported to have became much angered. In his opinion these Chinese "measures" constitute an "insult" to Japan. So the Conference was discontinued and deadlocked.

Another Japanese "Unreasonable Demand"

Since then, Japan, through Mr. Kawagoe, has been demanding the opening "direct negotiations" with Gen. Chiang Kai-shek. According to another report, the Japanese officials are becoming "impatient" at General Chiang's continued presence in Canton. Mr. Arita was quoted to have said that the continued failure of the General to return to Nanking was regarded in Japanese official circles as a deliberate attempt to evade responsibility. Mr. Arita also is reliably reported to have declared that the Foreign Office was ready to deal with "a most unfortunate situation" which would arise should General Chiang continue to put forward General Chang in the negotiations with Mr. Kawagoe. According to another, Japanese insistence that General Chiang, in his capacity as President of the Executive Yuan, should conduct in person all future negotiations for the readjustment of Sino-Japanese relations with Mr. Kawagoe "remains unchanged."

Many Other "Subversive Activities"

In the meantime, many other subversive activities are in progress. A "Special Affairs Bureau"—the official organ of the Japanese militarists—is being establisned in Tingyuanyin, and an airdrome has been built in Ningsha (China's north-west province) where 6,000 Japanese are now engineering "plots" aimed at inciting revolts of the native Mongolians against the Chinese Governmenr. Another report has it that the Japanese would make another attempt to disturb Chinese finances, as they attempted before. In small pamphlets distributed by the "Anti-Wang Keh-min" demonstrators in Tientsin (these demonstrators were "hired" by the Japanese militarists at 20 cents per day), these "hired demonstrators" alleged that Wang intended to ship Chinese silver to Nanking and to leave only notes in North China, etc. "From these pamphlets, we know that this is another Japanese attempt to block the Chinese currency," the *Blood and Sweat Weekly* (Vol. 3, No. 13, p. 255.) pointed out.

No Possibility of Shaking Hands with Japan!

In such circumstances, it will be be seen that there is absolutely no possibility for China to shake hands with Japan, much as she would like to! We shall ask the public opinion of the world to be our judge. Let them read over and study the Chinese "concrete measures" and the Japanese "demand," and let them say which party is the wrong-doer, and let them hand down the decision as to who should be blamed for being unwilling to shake hands with the other?

We must point out that "Sino-Japanese economic co-operation" is not analogous to what we call the employment of foreign capital in the development of Chinese industry in the spirit of co-operation. What is implied is the lowering of customs tariffs on Japanese imports; granting of mining, commercial, agricultural and industrial rights to Japanese official organs, and the closing of China's open door to all foreign trade, etc. It is an economic exploitation of China. It is aimed at complete destruction of China, physically as well as spiritually. None of these demands could be accepted by the Chinese.

General Chiang is now the President of the Executive Yuan—a post which is equal to that of Prime Minister in England. When the foreign ambassadors to the Court of St. James want to negotiate treaties, they see the Secretary of the State for Foreign Affairs, but not the Prime Minister himself, though that secretary may be recommended for appointment by the Prime Minister. It is the usual proper diplomatic procedure for foreign ambassadors to open negotiations with the Foreign Minister, not with the Prime Minister.

Secondly, the present negotiation is not a negotiation between a government and a super warlord, but it is a negotiation between two governments. According to the Chinese Organic Law, the final approval of any Sino-foreign treaty rests with the Central Political Council and the Legislative Yuan. In conducting the negotiations, the Chinese negotiators not only have to pay due attention to Chinese public opinion, and have to

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follow—the usual procedure, but also have to abide by the recent "Nanking-Kwangsi understanding" over Sino-Japanese affairs. The insistence to open negotiations with General Chiang is a deliberate and wilful attempt on the part of the Japanese to mar the progress of the confetence to give them a "cause of action"—by which we mean military action. If the Japanese demands are not acceptable to the Minister of Foreign Affairs, they are equally unacceptable to the President of the Executive Yuan. So this is only another of Japan's "unreasonable demands!"

China Preparing for "Resistance"

When our patience is being exhausted, and when every possibility for shaking hands with Japan is being completely destroyed by the Japanese, the Chinese come to the conclusion that "there is no more hope for peace," and that "we are driven to extremity when we have to make sacrifice." In their telegram dated September 20, to General Sung Chi-yuan in North China, relating the "Fengtai Incident," General Li Chung-jen and General Pei Chung-hsi said:

Dear Brother Sung:

We have heard that your troops had come into a clash with the Japanese troops at the Fengtai Station, and that both faced each other thoroughout whole night. When such news is spread out, the whole nation is very gratified to learn the 'brave acts' of your troops in defending our national territories in the spirit of fearlessness.

It has been the intention of the Japanese for a long time to seek a chance to create some troubles. The only way to salvation is resistance.

At present, national unification is being accomplished, so to put up resistance is more feasible. We hope you will not yield but fight to the end. We swear to give you all possible assistance.

Signed: Li Chung-Jen
Pei Chung-hsi

This telegram represents fairly well the public opinion of the Chinese today when they conclude that national unification is now being accomplished, and positive resistance against Japanese invasion is now more feasible; and that with the accomplishment of national unification, the next task before General Chiang will be to deal with the Japanese. So it is a "momentous cross-road; Japanese must decide whether or not to shake hands with China." If so, she must cease to present any more demands to China, and come to China with sincerity to negotiate with China for peace. If not, let them start the attack. China is ready to defend and to resist. To hope that China will sign another "Tangku Agreement", or a "Ho-Umatsu Agreement", or any similar document is building a castle in the air!

Nanking, October 2, 1936.

Japanese to Conduct Survey of China's Forts and Airdromes

A recent Canton message to the *Laichow Jih Pao* stated that secret instructions have been given to the Japanese Embassy in China by the Japanese Army Office, urging Japanese officers in China to conduct a detailed survey of airdromes and forts in various parts of China.

"Domei" Reduces Staff—Service Distrusted by Tokyo Journals

Discussing the impending dismissal of from 150 to 200 members of the staff of the *Domei* News Agency, the editor of the *Okayama Translation Service* commented: "Our hope is that the *Domei* will pay handsome retirement allowances to the outgoing men, but our informant tells us that allowances only equivalent to one month's salaries will be forthcoming. The leading newspapers in Tokyo have become distrustful of *Domei* news, especially its political news. We hear it said among the newspapermen that the Asahi and *Nichi Nichi* have decided basically to disregard *Domei's* political news, as it is entirely unreliable and full of mistakes. Some of the recent glaring instances are said to have been the alleged shift of the president of the Peers' College, giving the name of Aemira Kichisaburo Nomura as the forthcoming president, and the alleged interview between Premier Hirota and President Hiranuma of the Privy Council regarding the matter of creating the office of Minister without portfolio. These reports are said to have proved entirely unfounded."

The *Asahi* and *Nichi Nichi* have decided to keep their staff correspondents in more foreign capitals. With the China situation becoming pressing the *Asahi* has decided to send seven more correspondents to China, bringing the total number of its staff correspondents in China up to 25. They are distributed as follows: five at Peiping, one at Tientsin, one at Tsingtao, two at Nanking, eight at Shanghai, two at Hankow, two at Hongkong, and one each at Pakhoi, Canton, Chungking, Haikou and Foochow.

How to Remove Anti-Japanese Sentiments from the Chinese People

BY T. S. YOUNG

I AM very much grieved at the bad turn taken in Sino-Japanese good relations. I am grieved, not because this change may lead to an open war between these two countries, but because the good works which have been so far done in the promotion of Sino-Japanese economic co-operation may be totally undone. What an excellent idea is this economic co-operation! Our Japanese friends will provide capital and skill to develop our undeveloped country, while we can fold our arms to watch and enjoy the fruit of their labor. What an altruistic people they must be! It is ungrateful on our part that we should entertain any slight suspicion of their very altruistic motives. Have they not repeatedly assured us that they have not any territorial designs against our country, and that their sole objective is to work out a program of co-prosperity through the way of co-existence? Why can we not accept their assurances at their face value? We are indeed an ungrateful and suspicious people.

I am always a great admirer of the Japanese people, believe it or not. Their stature may be small, but their heart is big. Look, how courteous they are! Whenever you come across your Japanese friend, he will instantly beam into a broad smile and bow to you to ninety degrees, no more and no less, as if you are a very important personage. Who says that they have the serpent heart? True, a treacherous mind always finds its place in a person wearing the most pleasant countenance, but this is decidedly not the case with the Japanese. Permit me to repeat that they are the most altruistic and generous people you can find in this world. Then why should we hate them as if they are our bitterest enemies? How is it possible that some of our very wicked people should have the heart to hurt their skin and shed their blood? It is sacrilegious to murder or wound such good people. That such very accidents should occur in this God-fearing country is really incomprehensible.

Nontheless, during the past few weeks, two Japanese newspaper men were killed by a Chinese mob in Chengtu, Szechuen; a lone Japanese merchant was murdered by Chinese rioters in Pakhoi, Kwangtung; a Japanese consular policeman was shot dead by an unidentified person (supposing he was a Chinese) in the Japanese Concession of Hankow; and a Japanese sailor was killed by the gunmen (supposing they were also Chinese) in the Hongkew section of Shanghai. No matter whether the motives for these murders are either political or personal, the deeds themselves are too atrocious to be countenanced by the lovers of Japanese people. Their successive occurrences within a very short time, of course, would dishearten many of the Japanese military and political leaders, who have professed so much love for China and have been so eager in adjusting the Sino-Japanese relations in line with their announced policy.

Sympathies for Both Sides

While sympathizing with the bereaved families of these Japanese victims, I must also give my sympathy to Chinese political leaders, who, just like me, are equally anxious to see the early rapprochement between these two countries. The high feelings of Japanese people towards these incidents are quite understandable, but it is unthinkable that the Japanese who have professed so much love for China and her people should exploit these incidents to such an extent as to exact from us any harsh demands. We can rest assured that the Japanese, after their being satisfied that these are the works of the fanatics, will bury these incidents as if nothing has ever happened to mar the good relations of these two countries.

The Chinese officials, it must be said, have already done much to reciprocate the good wishes of Japanese people. They have suppressed many anti-Japanese speeches and literatures; they have prohibited anti-Japanese parades and demonstrations; and they have even gone so far as to forbid our leading newspapers from mentioning anything of the Mukden Incident on its anniversary day this year. But, sad to relate, all these measures, no matter how vigorously they have been enforced, have failed to eradicate from the Chinese minds these cursed anti-Japanese sentiments, which seem to take such a deep root that their uprooting becomes almost a task next to impossible. It goes without saying that so long as these anti-Japanese sentiments are not removed, it becomes farcical to indulge in talks about Sino-Japanese good relations, Sino-Japanese economic cooperation, and what not.

I have always lamented at detecting the least manifestation of anti-Japansee sentiments among our people. Sometimes, I can not help wondering why our people, whose intelligence is said to be very limited and whose patriotism is said to be only of five-minute's duration can be still nursing a wound which was inflicted upon them five years ago. Have they never been taught of such wise sayings as: If your enemy slaps you on your right face, you should turn your left face to him for his convenience, and if your enemy kicks you, you should politely inquire if the kick hurts his foot? Why can they not assume such a generous attitude towards our good Japanese friends. The persistence in bewailing at our wrongs betrays not only our lack of good humor, but also our extreme narrow-mindedness.

Being very eager to see that the Sino-Japanese economic co-operation can become a reality at the earliest possible moment, I venture to suggest that an extensive and vigorous campaign be immediately launched to educate our people for the purpose of changing their sentiments, so that they will not only forget their hatred towards the Japanese people, but also learn to love them as much as I do. I further believe that this campaign can be pushed with instant results, if the following points can be preached and explained to our simple-minded people.

They should be constantly informed that magnanimity is one of the cardinal virtues. An explanation along the following line will serve a good purpose: "China is a big and rich country, and therefore why should we care about the loss of four small provinces? Japan is small and poor, and for the sake of charity if for nothing else, we should gladly present these four small provinces to the Japanese as our gift. If the Japanese like to have our North China, let them have it, because we still have the rich Yangtsze Valley, and South China in the bargain. We have been known as magnanimous people. Then why should we be so peevish at the mere loss of four small provinces? In the days of the Manchu regime, our Emperors habitually gave away big pieces of our land to foreign countries without even their asking for them. Can it be true that the change of our regime has also changed our heart from a magnanimous to a tight-fisted one?"

Likewise, they should be frequently reminded that the Japanese have harbored no evil designs against us with the following explanation: "The words of the Japanese are earnest and sincere, their intention is open and above board, and their objective is only to bring benefits to China and her people. Be it remembered that the Chinese and Japanese have the same common racial, cultural and historical backgrounds. One may almost say that they are brothers. Thus it is preposterous to presume that a person can be so wicked as to pull his brother's leg. Don't let the false alarms scare you. These false alarms, as a matter of fact, have been maliciously fabricated by the white people for the purpose of preventing the Chinese and Japanese from coming into a close union, which, once formed, will hold the whole world under its mercy."

Why the Japanese Grabbed Manchuria

Besides, they should be told that the Japanese have a great respect for the will of our people. The following explanation will be in order: "The Japanese grabbed away Manchuria and Jehol from us not because of their imperialistic designs, but because they wanted to relieve our Manchurian people from the oppression of militarism. In accordance with the will of our people, they inaugurated 'Manchukuo' ruled and governed totally and exclusively by the Chinese people under the leadership of the most popular and beloved Henry Pu Yi. Now 'Manchukuo' is the only paradise in this mundane world. Again, in deference to the will of our people, the Japanese set up the East Hopei Autonomous Council headed by the 'people's hero', Yin Ju-keng. Therefore it is a great mistake on our part to heap all the blames upon the shoulders of the Japanese, for what they have done has only followed the will of our people."

Finally, "Forgive thy enemy" and "Love thy neighbor" should be copied as our slogans, which should be both posted on the walls and shouted to the ears of our people. I believe that "Forgive thy enemy" has also been preached by the Buddhists. As most of our people have more or less embraced the faith of Buddhism, the adoption of such a slogan will likely have a wholesome effect upon the psychology of our people. Even those who have looked upon the Japanese people as their bitterest enemies will possibly change their accustomed outlooks after having their ears dinned with this slogan. "Love thy neighbor" is an old saying. As Japan is our next-door neighbor, so it becomes a very appropriate slogan to be fully played up at the present time.

If an educational campaign of such a nature can be conducted by our Government, I have no reason to doubt that before long the sentiments of our people will undergo a rapid and great change beyond our recognition. The trouble with our people is that they have been generally kept uninformed; but once they have been enlightened on the truths, they will lose no time in making amends by reversing their sentiments. Therefore if our people can be furnished with the explanations of the above points, they will not likely raise a faint murmur, even if the whole country should be overrun by Japanese soldiers.

Anti-Japanese Volunteers Fight 1,371 Battles in One Month

In July, anti-Japanese volunteers engaged in 1,371 battles with Manchurian troops, a telegram from Changchun in the *China Times* Oct. 1 stated. The total number of volunteers participating in these battles was estimated to be 202,504. The number of Japanese and Manchurian troops sent to fight the volunteers totalled 62,875. The number of Japanese and Manchurian officers and soldiers killed in the month was 686 while those injured totalled 265. The number of volunteers killed and wounded was 277.

Japanese Punitive Forces Ambushed in Antung

A Japanese punitive expedition, travelling in trucks in the Northern part of the province of Antung, was ambushed by bandits, according to a report published in the *Asahi Shimbun*, Oct. 1. The casualties numbered 12 killed and 13 wounded.

A detachment of Japanese troops was surrounded by anti-Japanese volunteers under the command of Chao Shang-tse at Hsinlungtseng near Suihui Hsien in Piangkiang Province Sept. 30. After an engagement lasting three hours, the Japanese soldiers succeeded in breaking out of the ambush, but only after sustaining heavy casualties.

Five Japanese Officers Killed in Clash with Volunteers

Five Japanese military officers were killed as a result of an armed clash with anti-Japanese volunteers under the command of Chao Shang-tze in the Sankiang district Oct. 5.

Manchuria Village Raided by Bandits

A force of about 250 bandits attacked Tsiaochiakou, on the Antung-Mukden Railway, Sept. 28, plundering and burning whole villages in the vicinity. Police from Fenghuangcheng proceeded to the scene and surrounded the brigands who, after putting up a fierce resistance, retreated with the police in hot pursuit. The same band attacked Fenghuangcheng the previous week, killing a Japanese teacher and kidnapping eight students.

Manchurian Development Company to Have Capital of Yen 50,000,000

The Japanese authorities have decided to increase the capital of the Manchurian Development Company from Yen 15,000,000 to Yen 50,000,000, a Changchun message to the *Central China Daily News*, Sept. 30, stated.

Eighteen Prisoners Escape from Kirin Prison—63 Recaptured

After killing a warder and injuring three others, eighteen prisoners confined in the prison in Kirin, Oct. 4 seized weapons and broke out. The police were able to round up thirteen of the escaped convicts.

Kwantung Celebrates Thirtieth Anniversary of Rule

A ceremony marking the thirtieth anniversary of the Kwantung Leased Territory administration was staged at Port Arthur Oct. 1, in the presence of more than 150 leading Japanese and Manchukuo officials, including Gen. Kenkichi Uyeda, Ambassador to Hsinking, and Premier Gen. Chang Ching-hui of Manchukuo.

Matsuoka Inspects Manchukuo Railways

Yosuke Matsuoka, President of the South Manchuria Railway Company, Oct. 5 proceeded from Dairen to Mukden, where he will inspect the newly established General Direction of Railways, which unites the management of the S.M.R., the Manchukuo State Railways and the North Korean railway lines.

Shigemitsu Discusses Frontier Demarcation at Hsinking

Mamoru Shigemitsu, newly-appointed Japanese ambassador to Moscow, conferred at length with Manchukuo officials in Hsinking Oct. 2 on the latter's plans and intentions regarding the proposed demarcation of the frontiers between Soviet Russia and the new Empire and the settlement of disputes arising on those borders.

Fishery Agreement Reached Between Soviets and Japanese

Confirmation of Moscow press reports that an agreement for a new Soviet-Japanese fisheries treaty had been reached was received in Tokyo Sept. 3 from Shuichi Sakoh, Japanese charge d'affaires in the Russian capital. This brought to a conclusion negotiations begun on May 24, 1935, which were necessitated by the impending expiration of the previous pact. Information received by Japanese fisheries interests indicates that the new accord will remain in effect for a period of 10 years, while the temporary agreement concluded on Aug. 13, 1932, between Lev Karakhan, then Soviet Commissar for Foreign Affairs, and Koki Hirota, Japanese envoy to Moscow at the time, will be in effect for eight more years. The system of auctioning off leases annually will remain in effect, with the payment of such privileges being made in roubles payable at a fixed exchange rate of 32.5 sen per rouble.

Manchukuo Ship Captured by Soviet Patrols

The steamer *Hsing-An Maru*, belonging to the North Manchuria Gold Mining Company, was seized by Soviet border patrols on Oct. 3 near Shaoho, but was reported to have been released the same day. The first *Domei* report concerning the incident said that starvation faced 300 men working in the Bangoz mine as a result of the detention of the company's supply ship.

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Japanese Obtain Control of the Chinese Cotton Industry

BY THE REVIEW'S TIENTSIN CORRESPONDENT

THE phenomenal expansion of Japanese cotton interests in North China through the purchase of Chinese cotton mills and construction of new ones in Tientsin have aroused grave apprehension regarding the future of the Chinese cotton textile industry as a whole. Since the inauguration of a separate administration in North China followed by the expansion of Japanese influence in all directions more than half of Chinese spindlage has fallen into the Japanese hands so that the Japanese control of this industry in the Tientsin district appears to be unquestionable. At present they own the following mills:—

Japanese Mills

(1) The Yu Tah Cotton Mill, established in 1922 by the Chinese, has 40,000 spindles. Before the recent acquisition of Chinese mills, it was the only Japanese mill in the district.

(2) The Pao Cheng Cotton Mill, established in the same year, operates 27,000 spindles. It was bought by the Oriental Development Co., a semi-governmental institution, for $1,375,000 only, at public auction against an original investment of $3,000,000. The mill is now known as the Yu Ta Mill No. 2 and will reopen on November 1. It has remained closed since July, 1935.

(3) The Hwa Hsing Cotton Mill, established in 1918, operates 30,000 spindles. The mill was bought by the Kanegafuchi Co. (the Mitsui) for $1,200,000 against an investment of $2,421,000 by its Chinese owners. It has been renamed the Kung Ta Mill No. 6.

(4) The Yu Yuan Cotton Mill, established in 1918, has 75,000 spindles, and was capitalized at $5,600,000. The present owners, the Kanegafuchi Co., intend, according to Japanese reports, to increase the number of spindles to 150,000 by the end of this year. The mill now is known as the Kung Ta Mill No. 7.

Thus, the Japanese now own 172,000 spindles in Tientsin alone, which number is to be augmented still further by the construction of new mills as well as by the enlargement of those already existing. The Yu Feng Mill, now under construction in the ex-Belgian Concession of Tientsin, is to have 50,000 spindles at the outset, the present plans of the company being to increase this number to 150,000 spindles in two year's time. If all these plans materialize, and there seems to be no reason why they would not, the Japanese will control no less than 470,000 spindles in Tientsin, in addition to those owned by them in Shanghai, Tsingtao and Hankow.

Furthermore, they are contemplating to build at least two more powerful cotton mills in Hopei Province, one near Shanhaikwan by the Kanegafuchis and the other at an un-specified place in the Tientsin-Tongshan district by the Toyo Spinning Co. (the Mitsubishi), the spindlage of both of which being unknown.

In contrast with this phenomenal expansion of Japanese holdings in North China cotton spinning industry, the Chinese interests are rapidly receding. They now own only the following mills:—

Chinese Mills

(1) The Heng Yuan Cotton Mill, capitalized at $4,000,000 and operating 36,000 spindles. Recently the mill went through a complete reorganization and now is amalgamated with the Peiyang Cotton Mill, capitalized at $3,000,000 and operationg 28,000 spindles. Both are owned by the Cheng Foo Private and Charitable Trust Co. representing a Chinese banking group. According to present plans, the Peiyang Mill is to install 10,000 more spindles, imported from Japan.

(2) The Tah Sheng Cotton Mill, capitalized at $200,000 and operating only 5,000 spindles, the smallest mill in Tientsin.

It is clear that the Chinese cotten textile industry in Tientsin faces complete elimination, because, with only 79,000 spindles operating, it is certainly not a match for Japanese cotton mills with their 172,000 spindles openating now, not to speak of the future when they will have 470,000 spindles, the spindlage of the Kanegafuchi and the Toyo mills being not included in this number.

Even the most "stable" Chinese cotton mills appear to be not sure of the future, for according to a *Kokutsu* message from Tientsin dated August 9 the Heng Yuan and Peiyang cotton mills were offered for sale, the alleged reason being the impossibility to compete with the ever expanding Japanese cotton interests in North China. The message further stated that nearly every Japanese textile concern now operating in Shanghai or Tsingtao had sent representatives to Tientsin to investigate the possibilities for investment. One of them, the Shanghai Cotton Spinning Co., it is said, had even bought a site of 70,000 tsubo (about 58 acres) in Tientsin for the construction of a cotton mill to be completed by the end of next year

These facts should bring home the idea that the Chinese cotton industry faces a serious defeat in its own market by Japanese interests which, within the next two years, will control no less that 3,700,000 spindles in China or considerably more than those owned by the Chinese. That there is no escape from such a conclusion is seen also from the fact that Japanese mills are incomparable better equipped and managed than the Chinese mills. Besides they have the backing of the home industry, whose products are being now smuggled into China without any restraint whatsoever.

Having monopolized cotton spinning in North China, the Japanese are now paying the closest possible attention to the development of cotton cultivation in the territory with a view to converting it into a permanent source of this vital raw material. For this purpose, they have renamed the Japan-Manchukuo Raw Cotton Association, called into being to sponsor cotton cultivation in the North-Eastern Provinces, the East Asia Raw Cotton Association and are extending its activities to North China as well, since the crops of this staple in Manchuria are infinitesimally small for Japanese requirements. As the scheme requires a considerable outlay, the Japanese Ministry of Colonies is reported to have included the sum of Yen 600,000 in the estimates for next year which will be devoted entirely to developing cotton cultivation in North China alone In addition to this government fund, the industrialists are expected to contribute about Yen 600,000 for the purpose, it is said.

As a practical means for materializing this plan, the Japanese intend to open a number of agricultural experimental stations which will distribute improved seeds of cotton to farmers. One of such stations is now under construction near Tientsin, to which the Japanese Consulate-General in Tientsin is reported to be granting a subsidy of Yen 61,000 in a year, allegedly from the "cultural funds" appropriated by the last Diet. In return for the seeds granted, the farmers are expected to sell their crops of cotton exclusively to the East Asia Raw Cotton Association at a uniform price, as is done now in Manchukuo. However, since the scheme is rather late to be enforced this year, the private dealers may be able to operate this season, which cannot be said about next year, when the Japanese will have completed the opening of their government sponsored agricultural experimental stations.

K. Hiraoka, a Japanese expert who recently made an extensive investigation of cotton cultivation in North China, believes that, with the present yield of cotton crops in North China being about 5,000,000, piculs in a year, it is possible to increase it to 9,000,000 piculs, provided a "positive direction" will be given to farmers. Amongst other measures, he recommended the opening of cotton exchanges in Tientsin and Tsingtao, which, he said, would stimulate the trade.

In respect to cotton industry in China, the Japanese have therefore set up two goals for themselves which they are pursuing with their usual ruthlessness; firstly, to snatch the control of cotton textile industry from the Chinese and, secondly, to convert North China and Manchuria into a source of raw cotton for their own industry the ultimate purpose being to make the Japanese industry entirely independent of American and British Indian suppliers, which now furnish 90 per cent of all Japanese requirements for raw cotton. The attainment of the first objective appears to be quite in sight as the recent expansion of Japanese cotton interests in China amply testifies. On the other hand, the attainment of the second objective, the improvement of seeds and crops in China, will take time as it is a slow process, requiring time money and energy.

Tientsin, October 3, 1936.

Prof. Barker Says China Lacks Textile "Intelligentsia"

Alfred Farrer Barker, professor of textile industries of Chiao-Tung University in Shanghai and formerly of the University of Leeds, England, who recently made a study of the textile industries of China, their present position and future possibilities, with the assistance of his son, Kenneth Crookes Barker, who also serves on the faculty of the University, expresses the opinion that the failure of this country to develop her export trade is due to the inability to adopt the downright economic thoroughness of Western organization and as a result, China is often beaten, even in her own home trade by Japan.

What China specially lacks at present, Prof. Barker feels, is a textile "intelligentsia"—a body of enlightened opinion which can mold the industry to its own pattern. To meet this need he urges collaboration of the Chinese universities in establishing a really efficient textile school and in promoting the development of an inspiring technological press.

Hsin Chung Co. to Take Full Charge of Investments in North China

An understanding is said to have been reached between the Japanese South Manchurian Railway and its subsidiary organization, Hsin Chung Company, that the latter will henceforth be in full charge of all financial investments in North China. The capital of the Hsin Chung Company, now standing at $20 million, will be increased to $150 million. During his last visit to Dairen, Mr. Sogo, president of the Hsin Chung Company, conferred at great length with S.M.R. authorities over the question of changing the character of the firm. Hitherto a private concern, the Hsin Chung Company may become a joint commercial and governmental enterprise, as in the case of the S.M.R. in its early days.

A Tientsin message to the *Ta Kung Pao* Oct. 2 stated that it is understood that the Japanese have decided to invest a sum of 200,000,000 yen in economic exploitation of the North.

Chinese Reject Japanese Proposals for Construction of Tientsin-Shihchaichwang Railway

A Tientsin message dated Sept. 30 to the *Sin Wen Pao* stated that the Chinese authorities have definitely rejected the Japanese proposal for the construction of the Tientsin-Shihchaichwang Railway in view of its military significance. The Japanese, however, are still forcing the Chinese authorities to comply with their demand which, they alleged, is the preliminary step for a Sino-Japanese economic co-operation in the North.

Japanese Demands to North China Authorities Denied

Current reports that the Japanese military authorities in North China had presented a set of demands to responsible Chinese authorities in Peiping were vehemently denied by a Japanese military spokesman in Peiping Oct. 3. The spokesman added that there was not the slightest foundation for these rumors. He also stated that Major-Gen. Tashiro, Commandant of the Japanese Garrison in North China, had interviewed Gen. Sung Cheh-yuan, chairman of the Hopei-Chahar Political Council, but the nature of their conversation, he said, was not known.

Gen. Hashimoto, chief-of-staff of the Japanese garrison in North China, who went to Changchun to confer with the Japanese military authorities in Manchuria, returned to Tientsin Oct. 2 by airplane.

A Tientsin message in the *Ta Kung Pao* Oct. 3 stated that well-informed circles had declared that the actual situation in North China is not as bad as reported in certain quarters lately.

A responsible spokesman of the Hopei-Chahar Political Council, in an interview with the press, declared that Gen. Sung is calm and determined. He will do nothing which will prove detrimental to the interest of China and will not submit to foreign pressure under any circumstances.

A Tientsin message in the *Ta Wen Pao* Oct. 2 stated that as a result of several conferences with the Japanese, General Sung Cheh-yuan, Chairman of the Hopei and Chahar Political Affairs Council, has approved the concrete proposals regarding Sino-Japanese economic co-operation in the North.

Japanese Army Chiefs Hold Conference at Changchun

Leaders of the Kwantung Army and the Japanese garrison in North China held a conference lasting all day at Hsinking Sept. 29 at which they discussed the Fengtai incident and "the growing anti-Japanism in North China," according to the Tokyo *Nichi-Nichi*. It was decided, says the journal, that in the event of a situation arising in which the duties of the Japanese garrison in North China would be hampered by the Chinese, the North China garrison and the Kwantung Army should co-operate in "firm, strong, effective and bold action."

Foreigners of Tientsin and Chinwangtao Customs Staff Stated to Be Involved in Fraud

A Tientsin message Oct. 5 stated that three foreign members of the Tientsin Customs staff and an important foreign member of the Chinwangtao staff are involved in a fraud whereby false certificates were issued to permit the inflow of smuggled goods.

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Japan Asks Relaxation of Immigration Restrictions

A *Reuter* message from Tokyo, Sept. 28, stated that the Navy, the Army and other Government departments interested in Japanese expansion in the South Pacific have decided to ask the Foreign Office to open negotiations with the Philippines and the Netherlands East Indies for relaxation of their restrictions on Japanese immigration. Primarily interested in the emigration question is the Overseas Ministry which is in charge of settling Japanese abroad, but without the co-operation of the Foreign Office nothing can be done so far as the Philippines and the Netherlands Indies are concerned, it was stated.

Japanese Push "Southward Advance" Policy

Upon assumption of his duties as the new Governor of Taiwan, Admiral Kobayashi is reported to have mapped out a comprehensive plan positively to carry out the so-called "Southward Advance Policy," a term which has come into prominence in Japan's political vocabulary recently. Admiral Kobayashi's first step, it is reported, will be the raising of the status of the Foreign Affairs Section of the Formosan Government into a full fledged department, to be in charge of all plans for the "Southward Advance."

Officials Clarify Japan's Stand on Retention of Submarines

Washington's reported contention that Japan's plan to retain excess submarine tonnage formed a violation of the spirit of the London Naval Treaty was disputed Sept. 13 by high officials of the Gaimusho and the Navy. In view of Great Britain's retention of 28,000 tons of over-age destroyers, Japan was empowered to keep a similar tonnage in active service, the officials said. They, however, pointed out that since Japan possessed only 11,059 of over-age destroyers, she intended to retain 15,598 tons of submarines due to be scrapped.

Japanese Emperor Watches Annual Military Maneuvers

The Japanese army's annual military maneuvers were held in Hokkaido Province, starting Oct. 2. Mounted on his favorite steed the White Snow, Emperor Hirohito, attended by Fieldmarshal Prince Kotohito Kan-in, Chief of the Army General Staff, and his suite, watched the war games from various vantage points. The maneuvers came to an end Oct. 6 with a march past of 25,000 officers and men.

Politicians and Financiers Join in Opposition to Tax Plan

Politicians and financiers Sept. 30 joined forces in a vigorous attack on the new tax plan of Dr. Eiichi Baba, Finance Minister. Political observers in Tokyo believe that if Dr. Baba ignores the chorus of protests and introduces the bill in the Diet without any modifications, the bill will not secure the needed approval.

Australia Queries Tokyo on Trade Reciprocity

In a delayed move, the Canberra Government on Oct. 1 formally asked Japan to name the amount of wool the latter would be willing to purchase from Australia in exchange for raising the tariff barriers sufficiently high to let in 100,000,000 yards of Japanese cotton, rayon and silk textiles.

Japan Asked to Develop Brazilian Iron Resources

A proposal to work manganese mines in Brazil was made Oct. 1 to Reisaku Nakayi, President of the Japan Iron Manufacturing Company, by Senhor Jose Amando Mendes, technical delegate attached to the Brazilian economic mission now visiting in Japan.

U.S. Cotton Producers to Send Mission to Japan

A mission, consisting of representatives of American producers and exporters of cotton textiles and raw cotton, will leave New York for Japan before the end of this year, reports received in Tokyo Oct. 5 stated.

Japanese Trade Shows Favorable Balance During Ten-Days Period

Japan's trade in the last ten days of September registered a favorable balance of Yen 35,500,000, with exports totalling Yen 96,529,000 and imports reaching Yen 61,029,000, the Finance Ministry reported Sept. 30.

Mitsubishi Subsidiary to Add Explosives and Rouge to Manufacturing Program

A Tokyo message Oct. 6 stated that highpower explosives and rouge, fertilizers and dyes will next year be added to the list of products of the Japan Tar Industry Company, whose capitalization will be raised to Yen 30,000,000 on Dec. 1.

Grand Chamberlain Suzuki to Resign This Month

Domei stated Oct. 5 that Grand Chamberlain Admiral Kantaro Suzuki, whom the bullets and swords of the military mutineers brought to the brink of death on Feb. 26 last, will resign his Court position before the end of this month.

More Preachers of Religious Cult Arrested in Osaka

Five leading preachers of the Hito-no-mochi pseudo-religious sect, whose membership is variously estimated at between 300,000 and 1,000,000, were arrested by the police authorities in Osaka Oct. 5 on charges of "misleading the public".

Sentence on Former Minister of Railways Confirmed by Supreme Court

An echo of the railway scandal of 1929 was heard in Tokyo Oct. 1 when the supreme court reaffirmed the sentence of two years' imprisonment with hard labor on H. Okawa, former Minister of Railways, found guilty of accepting bribes for government purchase of private railway lines. In addition to the imprisonment, he was ordered to pay a fine of nearly Yen 200,000.

64 Missing as Japanese Ship Sinks Off Chemulpo

Sixty-four lives were reported lost on the night of Oct 2, when the 260-ton s.s. *Kashima Maru* foundered off Chemulpo in a severe gale.

Typhoon Causes Death and Destruction in Northern Japan

A score of persons were reported dead, 27 injured and 56 missing as the result of a typhoon in Northern Japan, mainly hitting the island of Hokkaido, Oct. 3 and 4.

"Sino-Japanese Issues Concern Only Japan and China":—Tokyo Foreign Office Spokseman

"The Sino-Japanese problems concern only Japan and China, and a third party can neither be allowed to interfere, nor, I believe, can have any intention to interfere."

A spokesman of the Foreign Office in Tokyo Oct. 3 commented as above on a *Reuters'* dispatch from London that the British Government "is actively interested in the course of the Sino-Japanese negotiations, to which, it is considered, Great Britain cannot remain indifferent in view of the magnitude of British interests in North and Central China." "Should the British Government decide to take positive steps," he added, "it will not concern the Japanese Government, being, as it is, a British domestic issue.

U.S. Gathers Information on Far Eastern Situation

U. S. Secretary of State Hull indicated Oct. 3 that he was gathering all available information on the present crisis in Sino-Japanese relations, and close attention was being given to the preservation of American interests in the Far East. The Secretary's comment followed a report from Great Britain asserting that the United States and Britain had exchanged information on the situation.

How Japanese Cheap Girl Labor Undermines American Industry

Donald Comer, President of the American Manufacturers Association, is the author of an article in *Liberty* entitled "Japan Is at War with Us Now!" Details are given of how, by the exploitation of the labor of young girls, Japanese textile manufacturers (and others) are able to bring ruin to American factories and undermine the American nation's slow return to prosperity. An ironical feature of the situation is that the Japanese do quite a large business in little silk American flags, sold in the U.S. four for a nickel.

New Salt Law to Be Enforced from November Next

In pursuance of a resolution adopted by the 5th National Congress of Kuomintang Delegates, the Ministry of Finance has decided to enforce the new Salt Law from November next. Enforcement of the Law will be carried out in stages. Salt Bureaus will be estalished at first in the provinces of Kiangsu and Chekiang, as well as in the municipalities of Nanking, Shanghai and Hankow.

A group of private individuals in Nanking is making preparations for the establishment of a "Salt Consumers' Co-operative Society." According to Chiang Tso-lin, chairman of the preparatory committee, the capital of the society has been fixed at $600,000, of which $200,000 is already available.

Arrangements have been completed between Chinase and Japanese authorities for the shipment of 70,000 tons of salt from Changlu district to Japan this year, according to Mr. Nagai, Japanese Consul in Tientsin.

Chiuta Salt Company to Be Removed to Shanghai

At a shareholders' meeting Oct. 3 it was decided that the headoffice of the Chiuta Refined Salt Company should be removed from Tientsin to Shanghai.

First Consignment of Salt to Be Exported to Japan Oct. 7

The first consignment of Changlu salt to be exported to Japan, amounting to 6,400 tons, will be shipped to Japan on Oct. 7, as the sales agreement has been approved by the Ministry of Finance. The second consignment of 5,000 tons will beshipped out on Oct. 12, a Tientsin message to the *Ta Kung Pao* Oct. 3, stated.

China to Celebrate Twenty-Fifth Independence Day - October 10

Formal invitations have been sent out to the various foreign diplomatic representatives in China to attend a reception at Nanking on Oct. 10, in celebration of China's Independence Day. President Lin Sen will receive foreign diplomats on the morning of Oct. 10, when an appropriate ceremony will be held. Five Ambassadors will be present at the reception: Sir Hughe Montgomery Knatchbull-Hugessen (Britain), Nelson Johnson (U.S.), Mr. Kawagoe (Japan), M. Bogomoloff (Soviet Russia), Vincenzo Lojacono (Italy) and M. Naggier (France). This year's celebration is the twenty-fifth, the Republic dating from the year 1911, when the revolution against the Manchus broke out in Wuchang and Hankow.

One of the principal features of the October 10 celebrations is a jamboree of the Boy Scouts of China in Nanking, which commenced Oct. 8, to continue for four days. The program includes exhibitions, reviews, tours and other events. Shanghai sent about 900 Scouts, who pitched their camp in the Park of the Sun Yat-sen Mausoleum, at the foot of the Purple Mountain, where they were joined by 10,000 brother troopers from various provinces and cities. A large group of Girl Guides, with 90 recruits from this city, is also taking part in the program. To qualify for the trip to the Capital each Scout was required to pass a comprehensive examination to show that he is competent in every fundamental department of Scouting.

After being absent for a little over two and-a-half months on a solo sightseeing tour to Peiping and at the same time investigating conditions of boy scouts in various places on the way, Hsu Tai, a patrol leader of the 818th troop of the Shanghai Chinese Boy Scouts, returned to join the boy scout jamboree in Nanking on Oct. 10.

As part of the Double Tenth celebration, the Sixth Annual Central China Athletic Meet will be held in Changsha on Oct. 10.

To celebrate the National Independence Day, and at the same time, the success of national unification, the Fukien Peace Preservation Corps has decided to hold a military review on Oct. 10 at the public recreation ground. Reviews of troops are also to be held in Peiping and Paoting.

A review of all peace preservation and milita units in Kiangsu will be held by Chen Kuo-fu, Chairman of the Kiangsu Provincial Government and concurrently Commander of the Kiangsu Provincial Peace Preservation Corps, on National Independence Day, October 10. Lieut.-General Hsiang Chih-chuang, Director of the Kiangsu Provincial Peace Preservation Bureau, has been designated Field-Commander of the Review.

On the occasion of National Independence Day, October 10, the Kwangtung Provincial Government will give a reception in honor of the Consular officials and foreign nationals residing in Canton. Gen. Yu Han-mou, Pacification Commissioner for Kwangtung, will take salute at a grand military review.

An official ceremony to celebrate the formal inauguration of through traffic service on the Canton-Hankow Railway was scheduled be held in Hankow Oct. 10, but later reports stated that the ceremony had been postponed.

Recent Appointments and Movements in Chinese Official Circles

Lin Yun-kai, former Governor of Kwangtung and recently appointed Minister of Audit, and Gen. Wu Chung-hsin, newly appointed chairman of the Mongolian and Tibetan Affairs Commission, were formally sworn into office Sept. 27.

A mandates issued at Nanking Sept. 28 appointed Pa-Pao-To-Erh-Chi (President of the Ulan-Tsab League) concurrently *Pei-Pin* (a military title) Jassak of the Ulan-Tsab League.

Chao Shou-yu, Special Envoy to escort the Panchen Lama, "Living Buddha" of Tibet, to Lhassa, arrived in Lanchow from Sian, by airplane Sept. 27.

Dr. Mei Yi-chi, Chancellor of the National Tsinghua University called on Dr. Wang Shih-chieh, Minister of Education at Nanking Oct. 1 and made a report on school conditions in North China.

Sun Kuo-feng, inspector of the Ministry of Education, who recently went to Peiping for medical treatment after a lengthy investigation trip to Kwangtung, died in Peiping Sept. 27.

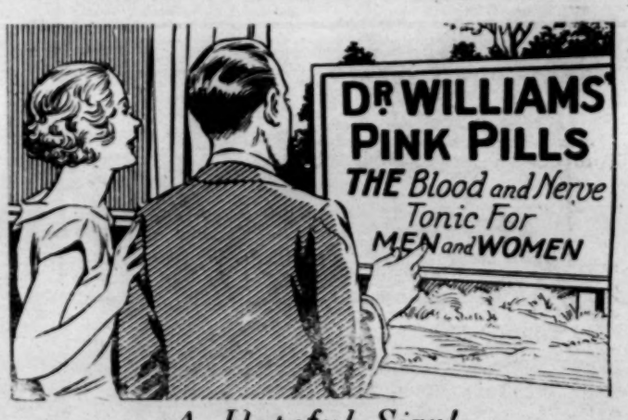
Dr. Wang Chung-hui, former judge of the Permanent Court of International Justice, arrived in Shanghai this week from Canton and later proceeded to Nanking.

General Huang Shao-hsiung, Chairman of Chekiang, resumed his post at Hangchow Oct. 1. General Huang was recently appointed Chairman of Kwangsi, but was prevented from assuming his new post on account of dissension among the Kwangsi leaders.

The new Kwangsi Provincial Government Committee was formally inaugurated with General Huang Hsu-chu as Chairman on Oct. 1.

The resignation of Tang Hai-an (H. O. Tong) as Salt Commissioner for the Liang-Kwang (Kwangtung and Kwangsi) Area, was accepted by the Ministry of Finance, Sept. 30.

Yu Lieh, veteran Revolutionary and close associate of Dr. Sun Yat-sen, was the guest of honor at a banquet given by President Lin Sen at National Government House in Nanking Sept. 29.



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Chinese Fear of Japanese Subjugation Mentioned at Yosemite Conference

A series of articles in the *San Francisco Chronicle* last month by Royce Brier described the sessions of the Institute of Pacific Relations at Yosemite, California.

At the sitting of Aug. 15, one Japanese delegate declared that both sides (Chinese and Japan) should take the "long view" and that in the long view it was Japan which had the grievance shortly after the close of the World war, "but since 1931 China has apparently had the grievances." A Chinese delegate frankly told the Japanese that anti-Japanese feeling in China could not be composed until the Japanese government allayed the Chinese fear that Japan intends ultimately to accomplish the subjugation of all China. Such a comprehensive historical course was denied by the Japanese delegation.

An interesting sidelight, after further discussion of Chinese Communism as an economic force, was seen in the assertion by a Chinese delegate that the Pan-American Clippers were denied a base in Canton by Chinese authorities, largely because granting such a concession would result immediately in Japanese demands for a like concession.

Chang Peng-chun Says Discussions at Yosemite Conference Were More Frank Than at Banff

Compared with the conference held at Banff, Canada, in 1933, the discussions of various problems affecting Pacific relations at the recent conference of the Institute of Pacific Relations at Yosemite, California, U.S.A., were conducted in a more frank manner, declared Dr. Chang Peng-chun, professor of Nankai University, Tientsin, and a delegate to the Conference. While all important problems relative to the Pacific relations were discussed at the last conference, special attention, according to Dr. Chang, was given to the present tension in the Far East.

China Is Assured a Seat on the League of Nations Council

China's seat on the Council of the League of Nations was assured Oct. 1, when the Assembly voted to accept the recommendation of its Committee on Constitutional and Juridical Questions that the number of non-permanent seats on the Council be increased from nine to eleven. The Juridical Committee reached its decision on this matter on Sept. 24, when it made the recommendation that not only should the number of seats be increased by two, but China should be accorded one of these.

Thibet Road Renamed in Honor of Yu Ya-ching with Impressive Ceremony

In an impressive ceremony held at the Ningpo Residents' Association Oct. 1, Thibet Road in Shanghai was renamed Yu Ya-ching Road in honor of one of the best known and most respected Chinese business leaders of Shanghai. Prior to the renaming ceremony a review of the Chinese Company of the Shanghai Volunteer Corps was held at the Race Course when Mr. Yu inspected the company and took the salute. Following the review, the Company, accompanied by the Municipal Band, marched to the Ningpo Resident's Association on the new Yu Ya-ching Road. Prominent among those present in the ceremony were Wang Hsiao Lai, Chairman of the City Chamber of Commerce, General Tsai Ching-chun, Director of the Bureau of Public Safety, Li Ta-chao, Sectional Chief of the City Government of Greater Shanghai, Sir Frederick Maze, Inspector General of Chinese Customs, and Stirling Fessenden, Secretary-General of the Shanghai Municipal Government.

Chinese Government Banks Ship Silver to U.S. and Hongkong

A report in the *Shanghai Mainichi* Oct. 4 that stocks of silver in the Chinese Government banks are now exhausted as the result of shipments to Hongkong and America were denied in responsible Chinese financial circles. The *Mainichi* stated that in a week's time, silver to the value of $84,080,000 was removed from Shanghai ($31,500,000 by the Central Bank of China), of which $41,020,000 was shipped to New York and $43,060,000 to Hongkong. On Oct. 2, it was stated, a further $31,500,000 worth of the white metal was shipped to Hongkong.

Morgan Young Retires from Editorship of "Japan Chronicle"

A. Morgan Young, for 14 years editor of the *Japan Chronicle* at Kobe, and a worthy successor to the late Robert Young (to whom he is not related), passed through Shanghai this week enroute to England, where he will reside permanently. In a signed editorial in the *Chronicle* Mr. Young said "Sayonara" (Good-bye) to his readers. The foreign community of Kobe paid him a high tribute at a ceremony at the Kobe Club, incidentally presenting him with a bank draft. Mr. Young in a short speech said he particularly appreciated the tribute as he had not played much of a part in community activities aside from his work at the *Chronicle* office.

Nanking Opium Commission Report Explains Policy of Gradual Suppression

The Traffic in Opium and Other Dangerous Drugs is discussed in the annual report (1935) of the Central Commission for Opium Suppression at Nanking in a brochure of 56 pages, with a number of appendices. It is related that for years in the past China had adopted a vigorous policy of absolute suppression, but with little result. It was thereupon decided to employ the same measures as regards opium as have been used against banditry, namely to inaugurate an "encircling movement," with the object of bringing about gradual suppression. During the year 1935, the adminstration of opium suppression in the country passed successively from the National Opium Suppression Commission to the Headquarters of the President of the Military Council, and from the latter to the Central Commision for Opium Suppression under the Military Council. The regulation, control, purchase and sale of narcotic drugs for legitimate purposes in the country were placed in charge of Division of Narcotics, newly created by the National Health Administration of the Ministry of Interior. During the year, the Division of Narcotics put into effect the following important measures:—Restricted the issuance of certificates for the importation of narcotic drugs; it prepared an estimate of kinds and quantities of narcotic drugs for the nations' medical and scientific use 1936; and it drafted meausres for the control of sales of marcotic drugs. Formerly, the issuance of certificates for the importation of narcotic drugs was under the charge of the Customs Administration. Such certificates applied only to Germany and Switzerland. Because of lack of treaty provisions, importation from England or the United States did not require a similar precedure. However, as a rule, for the convenience of transpostation, dealers importing from either England or the United States applied for certificates. Since the establishment of the Division of Narcotics, important permits which were heretofore issued by the various Customs Commissioners have been issued only by the Ministry of Interior to the Division of Narcotics. No application from any individual or organization is granted.

Two Koreans Shot in Brawl Over Drugs in Peiping

Two Koreans were taken to hospital in Peiping in the night of Oct. 6 as the result of a quarrel among some drug peddlers. Bent on making a purchase of the drug, two Chinese heroin buyers visited the Koreans. A dispute arose over the question of price and method of delivery, and finally, the Chinese buyers drew pistols and shot both Koreans. The assailants made good their escape mmediately after the attack.

Huge Seizure of Opium Made at Chefoo

Fifty-six parcels of raw opium, weighing about 488 lb. and valued at about $20,000, were seized at Chefoo, Sept. 24 by the Customs, on board the ss. *Ninghai*, from Tientsin. The contraband was concealed in the ship's water-tank in the fore-peak. This is the largest individual seizure made by the Customs in Chefoo for many years.

1,000,000 Opium Addicts in Szechwan

The number of opium addicts in Szechwan exceeds 1,000,000, according to an official statement released in Chungking Oct. 1.

Gen. Chiang Kai-shek Orders Investigation into Opium Smoking

At the request of General Chiang Kai-shek, the National Government has issued a circular order to the various organs under its direct jurisdiction enjoining that an investigation into opium smoking among their staff members be conducted immediately, with a view to eliminating the evil.

Big strides have been made in the opium-suppression movement in Shanghai during the past three months, declared Ma Liang, Opium-suppression Commissioner for Kiangsu and Shanghai, in an interview with the *Central News Agency* Sept. 29. More than 11,000 drug addicts, according to Mr. Ma, have completely got rid of their habit, over 19,000 renewed their certificates and no less than 24,000 have been newly registered during the three-month period.

Having completed his mission of supervising the registration of opium addicts in Shanghai, Ma Liang proceeded to Chinkiang Oct. 5 to wind up the affairs of his office there.

California Senate Report Says China Is Succumbing to Japanese Narcotics

A joint report made by Senators Sanborn Young and Jack D. Metzger to the Senate Narcotic Committee in Sacramento, California, Oct. 4 stated that China is succumbing to the spread of heroin and that morphine supplied from Japanese sources is endangering the world. "Japan, admittedly a dominant nation, is becoming the victim of that Oriental vice as well as its chief offender by forcing heroin and morphine addiction upon all people in the Far East." Reports show that Japanese colonies and a large part of northern China which Japan controls, have become the chief source of supply, the report said.

In the United States Court for China

In re.
LAST WILL and TESTAMENT of NORMAN THORPE SAUNDERS, Deceased

Cause No. 4113
Special Proceedings No. 1992
NOTICE
Filed at Shanghai, China, September 11, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Norman Thorpe Saunders, deceased, to present the same with vouchers to the undersigned on or before March 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Mrs. Vesta Baldwin Saunders,
319 Route Ghisi,
Shanghai, China.

Shanghai, China.

In the United States Court for China

In re.
the MATTER OF THE ESTATE of WILLIAM PENN HUGHES, Deceased

Cause No. 4114
Special Proceedings No. 1993
NOTICE
Filed at Shanghai, China, September 11, 1936.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of William Penn Hughes, deceased, to present the same with vouchers to the undersigned on or before March 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Cornell S. Franklin, Admr.,
149 Yuen Ming Yuen Road,
Shanghai, China.

Shanghai, China.

"Japan Would Exploit, Bully, Intimidate, and Conquer"

BY THE REVIEW'S HANKOW CORRESPONDENT

WRITING an editorial published Sept. 30 under the suggestive caption: "Shaking Hands with Japan," the editor of Chinese-owned Hankow English daily waxes rather ironical: "Before we 'grasp' Japan's hand (i.e., fall in with the suggestion of Mr. Arita) 'in friendly response', we should like to know what she is holding in it: an olive branch or a bayonet!"

Later on in the informing article we hit upon this serious accusation: "China, in the eyes of the Japanese leaders, is a nation not to be respected but only to be exploited, bullied, intimidated, and finally to be conquered . . . China has but one road to follow: She must do her best to maintain her sovereignty and territorial and administrative integrity. Japan, on the other hand, may either respect her neighbor's sovereign rights or persist in pursuing her aggressive policy. Upon her choice will depend the future of Sino-Japanese relations as well as the peace of East Asia and the world as a whole."

Additional Japanese Marines Arrive in Hankow

In addition to the two hundred marines, who arrived shortly after the slaying of the Japanese constable Yoshioka, by unknown gunmen on Sept. 19 in the Japanese Concession, there landed on the 29th of September one hundred and twenty new recruits. They arrived on the two Japanese destroyers, *Yukaze* and *Nodakaze*, which docked at the Japanese Navy wharf, near the Japanese Consulate General.

Yoshioka Memorial Service

Upon the arrival of the brother of the late Constable Yoshioka, a memorial service was held the 29th of Sept. in the Japanese Concession, Hankow. The ceremony was under the auspices of the Japanese Police Office. Both members of the Japanese Consulate and of the Police Force attended and did honor to the faithful service rendered by their colleague during his life up to his untimely death. The body of the deceased had already been cremated by the Japanese authorities the day following the slaying. The brother departed for Japan with the ashes of Constable Yoshioka last Friday night, Oct. 2.

Ninety Per Cent of Chinese Evacuate Japanese Concession

With the advent of more Japanese marines, with the rigid enforcement of policing in the Japanese controlled area, coupled with the departure of several wives and children of Japanese residents of Hankow, the Chinese residing in the Japanese Concession have started a peaceful exodus into more hospitable areas, such as the French Concession and the S.A.D. No. 1 and No. 3. It is roughly estimated that up to Saturday evening Oct. 2, ca. ninety per cent of the Chinese had found living quarters elsewhere. However, on no occasion have there been fresh incidents, the exodus going on for several days. Wild rumors have been flying thick and fast, some of them no doubt emanating from Japanese sources. There has been nothing happening to write home about, so that all the rumors when boiled down don't amount to a row of pins. However, Chinese in other parts of the city contacting these refugeeing fellow-countrymen, find many things to talk about and the least word breathed becomes a small rumor. Not having a free press it is very difficult to distinguish fact from fiction. It is next to impossible to spike rumors quickly, under these conditions before they have had a good chance to do much damage.

Rumors Reach London and Are Broadcasted as News

One of the rumors reaching London was to the effect that British women and children were being prepared for a hasty evacuation of Hankow. Nothing could be farther from the truth. Upon hearing such "news" being broadcasted from London *Reuter's* Hankow representative promptly cabled home a most vigorous denial of the whole affair.

Tension Continues: Eyes on Nanking and Negotiations

The whole educated populace of Wuhan is suffering from nervous tension, due to the unsolved outstanding problems between China and Japan. Everywhere one hears the same question: "What do you think Japan will do next? Will Japan take Hankow?" Then the rebound: "Even though Japan can take some of the more accessible places, port cities, still China will continue to resist. In the end China will win." There does seem to be this fundamental optimistic note. However, the feeling prevailing is not too hopeful, Behind those questions which are always asked there is the haunting fear that perhaps China will not be able to hold together.

Troop Trains Going North from Hankow

Contrary to general belief, troop trains are moving northward. This fact coupled with the fact that two Japanese gunboats left port last week, would give the lie to any rumor about any early prospect of fighting in Hankow. However, it is true that there are more troops in the neighborhood of Hankow than is usually the case.

New Life Movement Among Women in Hunan

The women of Wuhan are going in for the New Life Movement with a vengeance. The Hankow committee has already been functioning under the able direction of Madame K. C. Wu, wife of the Mayor, with the assistance of Miss Yang Hwei-min. In Wuchang, Madame C. P. Cheng has been instrumental in effecting the organization of a committee.

Hankow, Oct. 5, 1936.

Closer British-Chinese Relations in South China

A *Reuter* message from Canton Sept. 27 stated that closer Sino-British co-operation in South China will, in the opinion of observers there, be one of the important results of the consolidation of Gen. Chiang Kai-shek's military and political position in Kwangtung and Kwangsi. Current events indicate that relations between the Chinese and the British, particularly between Canton and Hongkong, are bound steadily to improve. The personal visit of Hongkong's Governor, Sir Andrew Caldecott, to Canton has greatly helped to cement Anglo-Chinese friendship and the personal contact he has made with the Generalissimo and other Chinese leaders may have far-reaching results.

Opposition Develops to Amalgamation with Kowloon Railway

A special correspondent in Canton for the *Ta Kung Pao*, discussing the significance of the opening of the Canton-Hankow railway, voiced his opposition to the proposal to link up the Canton-Hankow line with the Canton-Kowloon Railway. He said that if such a step is taken now, all traffic from Central China and South China would be diverted to Hongkong and Kowloon, and Canton would become as useless as an ice-bound port, while Hongkong would reap all the benefits of through traffic; Hongkong then would be able to control to a certain extent the economic life not only of South China, as is the case now, but that of Central and North China as well."

New Regime in Kwangtung Will Continue Provincial Industries on Sounder Lines

Industries owned and controlled by the Kwangtung Provincial Government during the regime of Gen. Chen Chi-tang will continue to be operated by the present administration but along new and sounder lines, according to Liu Wei-chih, Reconstruction Commissioner of Kwangtung. The various enterprises in the province, the total capital of which has been put at $50 million, the largest of provincial government investments in China, will be improved and expanded wherever necessary in future with the support of the Central Government. Revaluation of the different factories, the Reconstruction Commissioner added, will be made and a control over production will be effected by the imposition of a tax on all products according to regulations.

To Suppress Gambling Dens in Swatow Operated by Ronins

A Canton message Oct. 1 stated that petitions have been received by the Kwangtung provincial government for the suppression of gambling dens in Swatow which are operated by ronins of a "certain country."

"National Salvation Levy" to Be Abolished

Abolition of the "National Salvation Levy" on the salaries of public functionaries—imposed by the former regime under General Chen Chi-tang, the deposed leader,—was decided upon at a meeting of the Kwangtung Provincial Government Committee in Canton Oct. 2.

Imposition of Income Tax on Bank Deposits Postponed

The Ministry of Finance Oct. 1. officially announced that the imposition of income tax on the interest from bank deposits, originally scheduled to be effect on Oct. 1, had been postponed till Jan. 1, 1937. The decision was made by the Ministry of Finance in response to the recent request of the Shanghai Chinese Banking Association for the postponement of the levy on account of the incompletion of the procedures for its collection.

Swiss, Dutch and Norwegians to Pay Income Tax

Messages from Nanking Oct. 3 to the effect that three countries, Switzerland, the Netherlands and Norway, had agreed that their nationals in China should pay income tax to the Chinese Government and that their acceptance was contained in Notes received by the Nanking Foreign Office in reply to the Chinese Government's communications on the matter, was followed by a *Reuter* statement in Shanghai the following day as follows:—"The report from Nanking that Norway had decided that her nationals in China should pay income tax to the Chinese Government was denied by the Norwegian authorities here in a statement to *Reuter* to-day. The Swiss Consul-General and Charge d'Affaires stated that he had no knowledge of the report that Swiss nationals were to pay income tax; he had not conveyed any communication to that effect to the Chinese Government. A similar disclaimer was made by the Netherlands consular authorities."

Who's Who in China

Hsu Ching-fu, Government official; born at Hangchow, Chekiang, 1878; has successively served as Magistrate of Chuchi District, Chekiang; Magistrate of Tungcheng District, Hupeh; Manager of the Bank of China of Mukden, Tsingtao and in Chekiang; Director of Administrative Affairs Department and Acting Governor of Chekiang; Member and Acting Chairman of the Finance Committee of Chekiang; Director of the Bureau of Finance, Special Municipality of Shanghai; Director of the Bureau of Investigation of the Peiping Political Council; Member and concurrently Commissioner of Finance of the Chekiang Provincial Government; now Commissioner of Civil Affairs and concurrently Acting Chairman of the Chekiang Provincial Government; author of two books "National Salvation Through Economic Revolution," and "Economic Planning During the Period of National Crisis;" address: Chekiang Provincial Government, Hangchow, or No. 2, Lung Hsin Road, Hangchow.

徐青甫
Hsu Ching-fu

徐青甫，年五十八歲，籍浙江杭州市，歷任浙江諸暨縣知事，湖北通城縣知事，奉天青島浙江等處中國銀行行長副行長，浙江政務廳廳長代理省長，浙江財務委員會委員代理主席，上海特別市財政局局長，行政院駐平政務整理委員會調查處主任，浙江省政府委員兼財政廳廳長，現任浙江省政府委員兼民政廳長兼代主席，著有經濟革命救國論及國難期間經濟之設計二書，住址杭州龍興路二號。

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CUSTOMS NOTIFICATION NO. 1547.

The public is hereby notified that Import Tariff heading No. 503 has been amended as follows by the Government:—

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CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 7th October, 1936.

PAINTS AND PAINT WORK

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1481 Bubbling Well Road
Phone: 34360.

In the United States Court for China

SYLVIA GREENE WYLIE, Plaintiff, vs. WILLIAM NAYLOR WYLIE, Defendant.	Cause No. 4116 Civil No. 1995 ORDER Filed at Shanghai, China, September 17, 1936. William T. Collins, Clerk.

The object of this suit is an action for divorce.

WHEREAS, plaintiff herein, by her attorneys, has this 16th day of September, 1936, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 14th day of September, 1936, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 16th day of September, 1936, the plaintiff herein filed an affidavit to the effect that the defendant does not now reside in China nor has he resided therein since 1935, and that defendant's last known address was 254 King George Street, Annapolis, Md. U. S. A.

NOW, THEREFORE, it is this 17th day of September, 1936, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in THE CHINA WEEKLY REVIEW, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 10th day of October, 1936, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 17th day of September, 1936.

MILTON J. HELMICK,
Judge.

Men and Events

Gen. Han Fu-chu, chairman of the Shantung Provincial Government, freed 39 prisoners on the occasion of his son's wedding on Sept. 28.

Dr. Oscar P. Trautmann, German Ambassador to China, whose leave of absence expired recently, is expected to return to China on Nov. 5.

An appeal for £100,000 to assist Russian women refugees in the Far East was made in a letter to the London *Times* Oct. 1, by the British Appeal Committee.

Workers in several cotton mills in Wuhu declared a go-slow strike last week as a protest against the rejection by the mill owners of their demand for an increase in wages.

Anna May Wong returned to Shanghai this week from Canton by plane. She will shortly proceed to London where she is to appear in a play during the coming season.

J. B. Powell, Editor of *The Review*, addressed the Soochow Missionary Association on the afternoon of October 1 on the subject, "Political Trends in China Today."

The death occurred in London Oct. 2 at the age of 68 of Sir Harry Halton Fox, who was Commercial Counsellor to the British Legation at Peking during the years 1918-29.

Morito Morishima, the newly appointed First Secretary of the Japanese Embassy in Moscow, is making a tour of North China prior to his departure for Russia later this month.

To commemorate the 40th anniversary of the inauguration of postal service in China, which occurs this year, the Chinese Post Office will issue commemorative stamps on Oct. 10.

More than $900,000 worth of cosmetics have been imported into China during the past eight months, according to statistics released by the Foreign Trade Bureau of the Ministry of Industry.

It is reported by the Shanghai *Nichi-Nichi* that the Department of Cultural Affairs in China of the Japanese Ministry of Foreign Affairs has decided to establish a library in North Szechuen Road in Shanghai.

A set of measures for the revival of China's egg industry has been submitted by the Shanghai Bureau for the Testing and Examination of Commodities to the Ministry of Industries for approval and promulgation.

Dr. John Leighton Stuart, President of Yenching University, addressed the Yenching Alumni Association at the McTyeire Girls School in Shanghai Oct. 3, at which time a tea reception also took place.

Earl Leaf, correspondent for the *United Press* stationed in Tientsin, has arrived in Shanghai where he will be connected with the head office of the organization during the absence on vacation of Robert H. Berkov.

Sir Hughe Montgomery Knatchbull-Hugessen, the British Ambassador to China, returned to Nanking Oct. 5 from Peiping. He paid a courtesy call on General Chang Chun, Minister of Foreign Affairs, the following day.

Dr. C. T. Wang, newly appointed Chinese Ambassador to Washington, arrived back in China Oct. 3 from an extensive tour in America and Europe. Dr. Wang is expected to proceed to Washington in the middle of November.

The tariff surcharge which had previously been imposed on Japanese and Chinese exports to France in order to counter-balance exchange disparities will be reduced to 10 percent from Oct. 10, a Government decree published in Paris Oct. 3 stated.

C. S. Bissett, Canadian Government Trade Commissioner, stationed in Shanghai, has received word of the Canadian Government's intention to close the Shanghai office at the end of the present month. The reason for the action was not stated.

R. P. Butrick, U. S. executive consul in Shanghai, is recovering at the Country Hospital from an operation for appendicitis. Mr. and Mrs. Butrick were scheduled to sail for the United States Oct. 6, but their departure has been postponed because of Mr. Butrick's illness.

The *Shanghai Mainichi* Oct. 1 stated that the value of legal tender notes, issued by the Central Bank of China, Bank of China and Bank of Communications increased by $28,000,000 between August 30 and September 26, quoting a report by the reserve controllers.

Chaplain M. M. Witherspoon of the Forth U. S. Marines in Shanghai in a circular letter this week announced that the will hold his last service here Oct. 11 at 10 a.m. in the Grand Theater. His address in the United States will be, care of the U. S. Naval Air Station, Pensacola, Florida.

Dr. Hu Shih, Dean of the College of Liberal Arts of the National University of Peking, who went to the United States last July to attend the Sixth Biennial Conference of the Institute of Pacific Relations at Yosemite Park in August, is due to sail from the United States for China on Oct. 16.

Geo. M. Battey, Shanghai journalist, has issued a 52-page brochure (magazine size) entitled "The Great American Punch and Judy Show," devoted mainly to news and views on the pending U. S. Presidential election campaign.

George Fitch, Secretary of the Y.M.C.A. in Nanking and former General Secretary of the Shanghai Foreign "Y", was elected a member of the Nanking Rotary Club Oct. 1. Mr. Fitch addressed Rotarians on the subject of his reminiscences of Rotary history during the past 16 years.

Dr. Paul Kosok, professor of History at Long Island University, New York, and a member of the staff of the American Social Science Research Council, arrived in Shanghai this week from North China where he has been engaged for sometime in research work. From Shanghai he plans to proceed to South China and then to India.

Officers of the U. S. Fourth Marines in Shanghai will give a farewell dinner to Admiral Orin G. Murfin, retiring admiral of the U. S. Asiatic Fleet, Oct. 12. Admiral Murfin is to leave Shanghai during the latter part of the month and will be succeeded by Rear-Admiral Harry E. Yarnell, who is coming here from Pearl Harbor Hawaii.

Taking a leaf out of Japanese history, the Chinese Embassy in Japan has summoned a consular meeting to hear reports from the various Chinese Consuls in Japan. The meeting, which will be presided over by Hsu Shih-ying, Chinese Ambassador to Japan, will be opened on Oct. 26, a Nanking message to the *Ta Wan Pao*, Oct. 3 stated.

William D. Pawley, representative in the Far East for Intercontinent Corporation, dealers in aviation equipment, is departing shortly on a four-months' business trip to the United States. S. D. Irwine will be in charge of the Shanghai office in Mr. Pawley's absence. On Thursday, Oct. 8 Mr. Pawley entertained a large number of friends at cocktails at his residence on Amherst avenue.

Lowe Chuan-Hua, director of the Shanghai Office of the China International Famine Relief Commission and member of the Chinese delegation to the Institute of Pacific Relations conference at Yosemite National Park, returned to Shanghai Sept. 26. Before attending the Yosemite conference Mr. Lowe visited the leading cities in Japan, Hawaii, the United States and Canada in the interest of the work of the C.I.F.R.C.

The Parent-Teachers Association of the Shanghai American School was host at a reception in honor of new members of the School faculty, held at the school premises on Thursday, Oct. 8. The new members of the faculty include, Misses Martha Frances Black, Marian M. Ellioytt, St. Clair Nisbet and Elizabeth C. Wilson, Mrs. Leonard M. Bright, Mrs. James M. Wilson, Mr. and Mrs. Harold L. Brown, Theodore Herman and Mrs. Y. O. Lee.

On the recommendation of the Watch Committee, and on the score of economy, the Shanghai Municipal Council last week decided to disband the Corps' two artillery units, namely, the Shanghai Field Battery and the Shanghai Light Battery. Steps will be taken to disband the units as soon as possible. It was also pointed out that the Light Battery has now become an obsolete weapon. Its history dated back to 1854, when the "Battle of Muddy Flat" took place.

Lawrence Simpson, an American seaman arrested at Hamburg more than a year ago on charges of treason and espionage, was sentenced to three years imprisonment by the "People's Court" in Berlin Sept. 28. The fourteen months already spent in prison by Simpson will be deducted from the sentence. Herr Werner Amthor, a German attorney appointed by the court to defend Simpson, stressed before the court that the American had not been the initiator in any attempt to distribute Communist literature in Germany.

A receipt for money and goods sent to Red bandits to effect the release of the Rev. L. K. Samset, the Norwegian missionary who is being held captive southeast of Macheng, Hupeh, was received by the Rev. August Carlsson of the Norwegian Lutheran Mission in Hankow recently. The receipt was signed by the bandit leader, but was accompanied by additional demands for money and for 24 powerful field-glasses. Mr. Samset reported that he is well treated by his captors, who carry him about in a sedan chair because of his 58 years.

Dr. T. F. Tsiang, Ambassador-designate to Soviet Russia, was entertained by Dr. T. T. Li, director of the Bureau of Publicity and Intelligence of the Ministry of Foreign Affairs, at a farewell dinner in Nanking Oct. 3. There has been considerable confusion both as to the date and the route by which Dr. Tsiang is proceeding to Russia. The first report was that he had already left for Vladivostok on a Chinese gunboat. This proved to be incorrect. Since then various dates have been set for his leaving, but none of them indicate that the trip is to be made on a Chinese warship. Dr. Tsiang is to be accompanied on his trip by Messrs. Shih Shao-yin, Yuen Tao-feng and others. The latest report was that he was to sail from Shanghai Oct. 24 for Vladivostok. Dr. Chiang called on Chen Chieh, Administrative Vice-Minister of Foreign Affairs, Oct. 5 to make final arrangements for his departure for Moscow.

Itaro Ishii, former Consul-General in Shanghai, arrived in Bangkok Oct. 6 to assume his new duties as Minister to Siam.

Gen. Chang Chun, Minister for Foreign Affairs, and Madame Chang quietly celebrated their silver wedding at Nanking Oct. 4.

S. R. von Winterfeldt, Commercial Attache to the German Embassy in China, has returned to Shanghai and taken charge of his office at 40 Whampoo Road.

Glen Babb, until recently Tokyo correspondent of the *Associated Press*, and Frank Smothers, correspondent of the *Chicago Daily News*, were visitors in Nanking Oct. 6.

One hundred couples were joined in wedlock in the 9th Mass Marriage, sponsored by the Shanghai City Government in conformity with the New Life Movement, Oct. 7.

Thirty thousand dollars damages were sustained in a train collision at Liuchuan, north of Hsuchow, between a south-bound freight train and the 302 Tientsin-Pukow Express Oct. 1.

K. C. Tseng, formerly connected with the Chinese Maritime Customs at Chungking, Szechuen, has been transferred to Shanghai where he will be connected with the Appraising Department.

An impressive religious ceremony took place in Turin, Oct. 4 in honor of 92 nuns and members of the "Salesian" monastic order who are leaving Italy for missionary work in China, Japan and India.

Willys R. Peck, Counsellor of the American Embassy at Nanking, called on Liu Shih-shun, Director of the Department of European and American Affairs of the Ministry of Foreign Affairs in Nanking, Oct. 5.

F. B. Fearon, chief accountant for Union Aluminum, Ltd., 2 Peking Road., was charged at the British Police Court Oct. 7 on suspicion of having been involved in the embezzlement of approximately $12,000 from his employers.

Many districts in the region of Nantung in the northern part of Kiangsu province have been stricken by plague. In the course of a few days 50,000 people are stated to have been laid low by the epidemic. The death roll is about 5,000.

Dr. Philip Tyau, Foreign Affairs Commissioner for Kwangtung and Kwangsi, has decided to dispatch his English secretary, Ling Shih-fen, to Hongkong this week to investigate the conditions of the 200 Chinese who are living in slums in Kowloon.

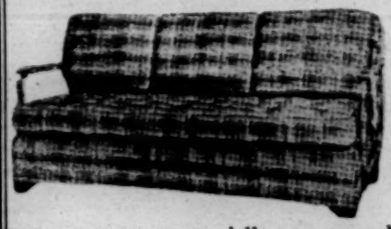
Three hundred lepers overpowered the guards at San Lazaro Hospital at Manila Oct. 6 and marched to the Palace of President Quezon, where they presented a petition for their release from hospital on the ground that the disease is not contagious.

At the maritime session of the International Labor Conference in Geneva Oct. 6, Chao Pan-fu, the Chinese delegate, tabled a draft resolution calling for the equal treatment of foreign and national seamen and the abolition of the contractor system in the shipping trade.

As the result of arrests made in the Shanghai French Concession early this week details were unearthed of a serious mutiny which occurred in the Defence Corps on Sze Chiao Island off the Kiangsu coast by Anhwei and Shantung factions last July, when the Governor of the Island and the Commander of the Corps were murdered.

V. Pinto, manager of the Pinto Bank, who was sentenced to imprisonment on charges of fraud and usury by the Italian Consular Court in June this year, was put on board the s.s. *Conte Rosso* sailing for Italy this week. He is to serve his sentence in the Isle of Rhodes. It is announced that he will lodge an appeal.

The Hongkong Postmaster General announces that the present short wave transmitter which transmits on 34.29 metres or 8750 kilocycles is being replaced by another transmitter, which is built to transmit on any one of four defined wavelengths, the use of any particular wavelength being governed by seasonal and international considerations, wavelengths ranging from 49.26 metres to 16,90 metres.



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The Japan Edition is now off the press and contains financial and credit information on between 7,000 and 8,000 firms throughout the Japanese Empire. Price $50.00 local currency per copy. Copies may be obtained from the publishers.

The Commercial & Credit Information Bureau

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New Books of Interest in the Far East

British Correspondent Writes Book on Peking-Kashmir Trip

News from Tartary, a Journey from Peking to Kashmir, by Peter Fleming. Jonathan Cape, London, 12s. 6d. net.

Peter Fleming's newest book, the record of a hazardous journey across inhospitable Central Asia, will be welcomed with enthusiasm not only by those who are already familiar with his previous "Brazilian Adventure" and "One's Company," but also by those who are not. The book is a story, honestly and modestly told, of an exceedingly brave journey, which can hardly be dignified with the name of an expedition. None of the fanfare, so usual to an expedition, witnessed its launching, nor did its two members go forth with all the paraphernalia seemingly necessary to a self-respecting expedition—quite the contrary! Notable also are the surpassingly beautiful and highly interesting photographs with which the book is illustrated in profusion.

Peter Fleming, as he admits himself, was particularly lucky to have as his companion, Miss Ella Maillart, otherwise known as Kini. A Swiss, Kini, had an interesting and unusual life. Both Kini and the author were vitally interested in making their way overland through Sinkiang into India. Neither envisaged the trip with the other. But circumstances played them false to their own mutual advantage. That the companion whom Fate picked for the author on this daring journey was an excellent one can be judged by the following; it is also indicative of the feeling throughout the book: "We were united by an abhorrence of the false values placed...on what can most conveniently be referred to by its trade name of Adventure. From an aesthetic rather than from an ethical point of view we were repelled by the modern tendency to exaggerate, romanticize, and at last cheapen out of recognition the ends of the earth and the deeds done in their vicinity. It was almost the only thing we were agreed about."

Modern man has erected around himself a wall, the whole edifice of civilization, to shield himself from Nature, and by so doing has lost something. He has become inseparable from his material possessions. In this world torn with bitterness and strife where mankind is continuously reaching out, covetously, as nations and as individuals, for the possessions of others no matter how insignificant, it is refreshing to find at least two people who were able to escape into another existence where the gaining of the next water hole was an event of major importance transcending by far the failure of an electric light system, and whose equipment was so small as to be laughable—a few changes of clothes, two not-too dependable rifles, cameras, typewriters, binoculars and the all-purpose frying pan, sole utensil for cooking and washing.

The story of the journey is simply told. No attempt is made to overdo the glories of the landscape or the excitement of the occasion. Such difficulties as they had, and they were many, are presented as they happened, without distortion. After a trip by train from Peking to Sian, not completely uneventful, the pair made their way by devious means, best described by the author, to Lanchow, then across the northeast corner of Tibet, through the Koko Nor, into the heart of Sinkiang and then over the passes into India. For at least the first half of the journey, they expected at each outpost to be turned back.

In view of the significant developments taking place from day to day in the Far East and particularly in China, Mr. Fleming's "news from Tartary" is especially interesting. He has rendered a service in his description of political conditions in this far-off corner of the world, closed to foreigners since 1933 and not officially open to Mr. Fleming and Miss Maillart, since they travelled without passports. The continuance of Japanese aggression in North China and in Inner Mongolia has had the effect of rather relegating to the background the less spectacular and little-known facts regarding Soviet aggression in China's most westerly province, although in the final analysis their relative importance may be as great. Mr. Fleming presents an imposing evidence showing Russia's economic and administrative penetration into Sinkiang, where the authority of the National Government at Nanking is but the merest shadow. His evidence, and we have no reason to doubt its correctness, is rendered still more interesting (or is it amusing?) in the light of the oft-repeated statements of the Soviets that Communism and Imperialism are contradictory in terms.

Travel-worn and weary, their clothes showing unmistakeable signs of seven hard months on the road, the wanderers came at last to the hotel at Srinagar, which was rather more imposing than they expected. Surreptitiously they entered the dining room to find everyone in evening dress. "Anglo-India, starched and glossy, stared at us with horror and disgust...A hush descended... We were back in Civilization."

D. D.

How British Propaganda Helped U. S. into the World War

British Propaganda at Home and in the United States from 1914 to 1917, by James Duane Squires, Professor of History, Colby Junior College. Cambridge: Harvard University Press, 1935.

In the opinion of Professor Squires skilful British propaganda helped mightily to bring America into the world war on April 6, 1917, and this brief but elaborately documented study helps to show how it was done. It is limited in scope to the extent that it is based not on newspapers or magazines but on the books and pamphlets issued by Wellington House, where in September, 1914, C. F. G. Masterman, then a member of the British Cabinet, organized a government propaganda bureau. From this modest beginning, Professor Squires points out, Great Britain proceeded to build up "the best developed and probably the most effective organization devoted to propaganda of any of the belligerent nations."

It is primarily a book for specialists but contains much that should be of general interest and concern. For, as the author points out in conclusion, "the more quickly that historical scholars can be brought to a recognition of these facts, the better able will they be to explain to the public generally the true nature of those forces which make the united citizenry of a modern nation fight with desperate tenacity to the brink of utter exhaustion. And the more quickly that the masses of the people, especially in the great Western Powers, understand these things, perhaps the less insistently will they cling to their hitherto cherished prerogative of seeking to adjust international disagreements by the perilous arbitrament of war."

H. J. T.

A Story of Intrigue With a Chinese Background

Thank you, Mr. Moto, by John P. Marquand. Little, Brown & Company, Boston, U.S.$2.00.

Thank you Mr. Moto will be enjoyed by the lovers of light mystery stories with plenty of action. In some respects, this book resembles the stories of "Charlie Chan" by Earl Derr Biggers. The central character is Mr. Moto, the wily Japanese, as Charlie Chan was of Earl Derr Biggers' tales. But there are differences. There is mystery and intrigue, but the solution of a murder is not the theme, although one, rather important to the story, does occur.

Beneath the peaceful surface of life in Peking Mr. Marquand has built up a fast moving tale concerning the adventures of two Americans who step unwittingly into a bewildering maze of plots and counter plots. On every side appears the seemingly sinister hand of Mr. Moto, but Mr. Moto is not the real villain of the piece. Tom Nelson knew something strange was afoot, but Eleanor Joyce was unaware of the danger. Mr. Moto, although knowledge was in his hands, could do nothing until the two Americans with their bungling made him master of the situation.

Mr. Marquand's descriptions of Peking are good—his characters are human—the action moves swiftly. In the realm of light fiction, *Thank you, Mr. Moto* should be popular.

October 2, 1936 D. D.

Whangpoo Conservancy Board Issues New Edition of "The Port of Shanghai"

The Whangpoo Conservancy Board has issued a ninth revised edition of "The Port of Shanghai", which is an illustrated volume of more than a hundred pages, compiled on the same general plan as that observed in previous years. A general outline of the contents is contained in an introductory paragraph by Herbert Chatley, Engineer-in-Chief. Mention is made of the fact that the port statistics have been compiled as a necessary preliminary to the planning of general port development. The statistical data regarding trade and shipping are taken from Customs records. One of the most interesting chapters is that devoted to the Requirements of the Port. Three suggestions are made: Lowering of freight rates by providing accommodation for ships of most economic size, diminution of handling charges by provision of better facilities, and the influencing of routes on land and sea so that concentration and efficiency may favor direct routes.

Lawrence M. Chen Discusses Conservancy Works in Information Bulletin

The Council of International Affairs, Nanking, has issued an Information Bulletin on Conservancy Works (Vol. 2, No. 3). The author is Lawrence M. Chen, who reviews the principal hydraulic works in China which have either been completed, or are under construction or are contemplated. He discusses the magnitude of these undertakings, the large sums of money which are required for their completion and the tremendous amount of benefit that will accrue to the population.

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Cost of America's Policy in Far East Discussed in "Far Eastern Survey"

Foreign Policy Reports (18 W. 40th St. N. Y.) contains a powerful article on the Struggle for Power in China by T. A. Bisson. After reviewing the aims of the principal foreign powers of the world in this part of the world, the author says: "At the present time, the Chinese nationalist movement constitutes the most powerful barrier to Japan's advance. The growing strength of this movement, supplemented by concerted Anglo-American-Soviet action, holds out perhaps the last remaining possibility of halting Japan and enforcing a settlement that may yet check the drift toward war in the Far East."

Another publication of a similar character, *Far Eastern Survey* (129 E. 52nd St., N. Y.) has published in recent issues valuable information on the subject of America's Stake in the Far East. In the July 29 issue, Miriam S. Farley discusses the trade aspect. In the issue of Aug. 12, W. W. Lockwood, Jr. discusses investments; in the issue of Aug. 26 Frederick V. Field discusses the cost of America's policy in the Far East. It is stated that last year the United States spent $600,000,000 to maintain its Far Eastern policy, while financial benefits to the United States totalled only about $84,000,000.

American Railroads Report Best Income Since 1930

The Association of American Railroads announced Oct. 1 that the railroads of the country are at present enjoying the best financial year since 1930.

A telegram from Washington Oct. 4 stated that the net inflow of capital to the United States during the first six months of 1936 totalled U.S.$496,000,000, a decline of $124,000,000 compared with 1935.

"New York Times" Supports Roosevelt, But Landon Leads in "Literary Digest" Poll

The *New York Times* has come out strongly in support of President Roosevelt for re-election, but the poll of the *Literary Digest* up to Oct. 2 showed 438,601 votes for Landon, 282,524 for Roosevelt.

Senator Borah in a speech at Meridian, Idaho, Oct. 3 endorsed Roosevelt's unemployment relief policy, saying, "The President is perfectly right in spending huge sums of public money for relief."

New Chinese Catholic Bishop Assumes Duties at Nanking

The Rev. Dr. Paul Yu Pin, new Archbishop of Nanking, assumed his new duties in the Roman Catholic Church in Nanking Oct. 14 immediately upon his arrival from Peiping. According to Archbishop Yu, most of his time henceforth will be devoted to work beneficial to society as a whole. "We are ready at any time," he said, "to co-operate with any and all in attaining such a goal. For it is through co-operation that we can find love and truth."

Yungli Chemical Works to Be Removed from Tientsin to Shanghai

At a meeting of shareholders of the Yungli Chemical Works in Tientsin Oct. 4 a decision was reached to remove the head office and the works from Tientsin to Shanghai in view of the political developments in the North. The company has built a factory in Pukow. However, the factories in Tangku will not be abandoned, the *Ta Kung Pao* of Oct. 5 stated.

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